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FBIS-EAS-90-090 CONTENTS *9 May 1990*

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NORTHEAST ASIA

Japan

U.S. Urges Concessions in Construction Market *[KYODO]* 1
Machine Tool Arrangement Said Working Well *[KYODO]* 1
Foreign Ministry Downplays PRC Criticism *[KYODO]* 1
DPRK Said Ready To Receive LDP Delegation *[KYODO]* 2
Police Make Preparations for No Tae-u Visit *[KYODO]* 2
GDR's Meckel Meets JSP Leader Doi in Berlin *[KYODO]* 3
Ecuadoran Foreign Minister Meets With Nakayama *[KYODO]* 3
Kaifu Urges Diet Leaders To Push Reform Talks *[KYODO]* 4
MITI Minister Meets Petroleum Industrialists *[KYODO]* 4
Reforms in Short-Term Money Market Planned *[KYODO]* 4
Corporate Capital Outlays To Rise 6.7 Percent *[KYODO]* 5
Poll Says Living Standards Seen as Declining *[KYODO]* 5

North Korea

Japan Warned Against Crackdown on Chongnyon *[KCNA]* 5
Daily Urges U.S. Withdrawal 'Without Delay' *[KCNA]* 6
'Frenzied' U.S. Aerial War Games Continue *[KCNA]* 7
U.S. 'Brute' Runs Over Two People, Kills One *[KCNA]* 7
Editorials Dedicated to Soviet War Victory *[KCNA]* 7
Officials Attend Soviet Film, Reception *[KCNA]* 8
Yi Chong-ok Meets Bulgarian Ambassador *[KCNA]* 8
Greetings Sent to Czechoslovak President Havel *[KCNA]* 8
Greetings Sent to GDR Leader on Anniversary *[KCNA]* 8
Condolence Message Sent to Cuban Government *[KCNA]* 8
Yang Hyong-sop Meets Pakistani Assemblyman *[KCNA]* 8
Red Cross Sends Message on Han Pil-song Visit *[Pyongyang Radio]* 9
'No Amount of Intrigues' Can Conceal Wall *[KCNA]* 9
Socialist Workers Party Sends Protest Letter *[KCNA]* 10
People's Alliance in South Vows To 'Smash' DLP *[KCNA]* 10
'Reverence' Deepens for Kim Chong-il in South *[KCNA]* 10
Chuche Idea, Revolutionary Faith Analyzed *[Pyongyang Radio]* 10
Anniversary of Reunification Association Marked *[KCNA]* 13
Efforts Made To Increase Freight Haulage *[KCNA]* 13
Sowing of Amaranth, Pumpkin, Gourds Under Way *[KCNA]* 13

South Korea

Reporter Identifies DPRK Nuclear Scientists *[CHUGAN CHOSON 13 May]* 13
Final Part of Reporter's DPRK Travelogue *[HANGUK ILBO 3 May]* 17
Applications To Visit North on Increase *[YONHAP]* 18
Foreign Minister Choe Meets With U.S. Official *[YONHAP]* 18
Contract To Import Soviet Uranium Signed *[YONHAP]* 19
Handing Over Russian Legation to USSR Denied *[YONHAP]* 19
Prospects for No Tae-u's Japan Trip Analyzed *[YONHAP]* 19
Article Views Present Economic Problems *[THE KOREA TIMES 8 May]* 20
Plan To Cure Real Estate Problems Assailed *[YONHAP]* 21

No's Statement on Current Situation Derided *[HANGYORE SINMUN 8 May]* 22
Dailies Comment on President No's Statement *[TONG-A ILBO, etc.]* 23
New Leadership Installed at DLP Convention *[YONHAP]* 24
Opposition Calls for DLP's Disbandment *[YONHAP]* 25
Talks Fail To Bring Accord in KBS Dispute *[YONHAP]* 25
Hyundai Union Sets 11 May Deadline for Talks *[YONHAP]* 26

SOUTHEAST ASIA

Burma

Paper Discusses Upcoming Elections, Military *[Bangkok THE NATION 8 May]* 27
Wa Army Appointed as Village Defense Command *[Bangkok BANGKOK POST 5 May]* 28
Eight Karen, Student 'Insurgents' Arrested *[Rangoon Radio]* 28

Cambodia

Hun Sen Says Plans To Attend Talks in Tokyo *[AFP]* 28
Sihanouk's 'Daydream' of Touring Nation Viewed *[Phnom Penh Radio]* 29
UN Official on Technical Team's Activities *[AFP]* 30
Hun Sen Officials Confident of Holding Province *[Bangkok BANGKOK POST 8 May]* 30
Meeting Reviews Army Activities in Dry Season *[Phnom Penh Radio]* 31
Phnom Penh on Battle Results of Past Six Months *[Phnom Penh Radio]* 32
Banteay Meanchey Commander on Military Situation *[Phnom Penh Radio]* 32
Sihanouk Says Will 'Remain Quietly' if Bypassed *[Bangkok BANGKOK POST 9 May]* 32
DK Leaders Urge Sihanouk To Continue Activity *[Radio VONADK]* 32
Khmer Rouge Attacks 'Stalled' in Heavy Rain *[AFP]* 33
VONADK on Enemy Forces Killed on Route 10 34

Philippines

Police Say Fredette Victim of 'Botched' Robbery *[AFP]* 34
Ileto on Numbers of U.S. Troops Before Coup *[Quezon City Radio]* 34
'Implementable' Bases Conversion Plan Presented *[MANILA BULLETIN 9 May]* 34
Central Bank Possible Venue for Bases Talks *[Manila Radio]* 35
Option To Declare Country Neutral Studied *[PHILIPPINE DAILY INQUIRER 7 May]* 35
Consul to Jeddah Recalled for Consultation *[PHILIPPINE DAILY INQUIRER 7 May]* 36
Further on Problems Posed by Hong Kong's Return *[MALAYA 7 May]* 37
Spokesman Elaborates on Broader Powers for Aquino
[THE MANILA CHRONICLE 8 May] 37
Analysis Says Aquino Afraid To Exercise Power *[THE MANILA CHRONICLE 7 May]* 38
Aquino Views Leftist-Rightist Rebel Alliance *[Quezon City Radio]* 39
Aquino Denies Pullout by Foreign Investors *[Quezon City Radio]* 39
Workers Urged To Ignore Destabilizing Forces *[Baguio City Radio]* 40
Malacanang Expresses Support for Biazon *[MALAYA 6 May]* 40
Nazareno Orders Arrest of Gun-Carrying Civilians *[Manila Radio]* 41
Official Says Many Coup Participants at Large *[Manila Radio]* 41
Convicted Coup Plotters Moved to New Prison *[Baguio City Radio]* 42
Communists Urged To Abandon Armed Struggle *[Quezon City Radio]* 42
Aklan Mayor Killed by Suspected NPA Rebels *[Manila Radio]* 42
NPA Leader Urges 'Balanced Reporting' *[Manila Radio]* 42
Government Takes 'New Tack' With Negros Rebels *[THE MANILA TIMES 8 May]* 42
Aquino Approves 92 Support Fund Projects *[MANILA BULLETIN 7 May]* 43
Organized Labor Temporarily Shelves Mass Action *[MANILA BULLETIN 6 May]* 43
1989 Economic Growth Reported at 5.7 Percent *[BUSINESS WORLD 7 May]* 44
2.6% Rise Reported in Jan-Apr Agriculture *[BUSINESS WORLD 4 May]* 45

Thailand

Reaction to Sihanouk's Announcement Reported 45
    Chawalit, Spokesman Comment *[BANGKOK POST 9 May]* 45
    Chatchai Interviewed on Sihanouk *[Bangkok Radio]* 46
Chatchai To Work for 'Draconian' Antidrug Law *[THE NATION 9 May]* 47
Authorities Order Burmese Refugees Repatriated *[AFP]* 47
Phnom Penh Troops Reportedly Rob Thai Couple *[Radio VOFA]* 48
Muslims, Buddhists Protest as Tension Rises *[BANGKOK POST 9 May]* 48
Moscow Radio Interviews Government Spokesman *[cross-reference]* 48

Vietnam

Dinh Nho Liem, PRC Official Hold Discussions 49
    View Ties, Cambodia *[Hanoi Radio]* 49
    'Some Progress' Noted *[AFP]* 49
    Nguyen Co Thach on Issues *[Bangkok THE NATION 9 May]* 50
Further Coverage on U.S. Publisher's Arrest *[Hong Kong HONGKONG STANDARD 9 May]* 50
NHAN DAN Views Issue of Workers in GDR *[Hanoi Radio]* 50
Le Quang Dao Receives GDR Ambassador 7 May *[VNA]* 51
Czechoslovakia To Honor Labor Commitments *[Hanoi Radio]* 52
National Day Greetings Sent to Czechoslovakia *[VNA]* 52
Thai Commerce Minister, Delegation Arrive *[VNA]* 52
    Meet Tran Duc Luong *[VNA]* 52
Do Muoi Receives Japanese National Assemblymen *[VNA]* 52
Do Muoi Thanks Sweden for Development Aid *[VNA]* 53
Swiss Workers' Party Leader Expresses Support *[Hanoi Radio]* 53
Nguyen Van Linh Interviewed on Domestic Issues *[VNA]* 53
State Council's 2-5 May Meeting Results Outlined *[Hanoi Radio]* 54
Problems Facing State-Run Enterprises Noted *[VNA]* 55

AUSTRALASIA

Australia

PRC Minister Continues Meetings, Activities 57
    Inspects Industrial Facilities *[Melbourne International]* 57
    Told No 'Business as Usual' *[AFP]* 57
Decision Made To Grant Papua New Guinea Aid *[Melbourne International]* 57
Hawke To Visit Papua New Guinea 'This Month' *[Melbourne International]* 57
Wool Exports to USSR Frozen Pending Payment *[AFP]* 58

Fiji

Opposition Leaders Criticize China Links *[AFP]* 58

New Zealand

Moscow Wants Debt Repayment Compromise *[AFP]* 58
Shortwave Radio Said Drowned by Soviet Station *[AFP]* 59
Government Wants To Rebuild Ties With France *[AFP]* 59
Air Force Buys 18 Italian Trainer Jets *[AFP]* 60

Japan

U.S. Urges Concessions in Construction Market

OW0805181390 Tokyo KYODO in English 1521 GMT 8 May 90

[Text] Tokyo, May 8 KYODO—The United States on Tuesday urged Japan to make further improvements in its designated bidding system, for public sector construction projects, government sources said. The U.S. made the request during a meeting in which experts from the two governments reviewed progress in Japanese efforts to open its construction market to foreign firms. The experts met ahead of a high-level meeting scheduled for Thursday.

Japanese officials detailed the awarding of construction contracts to U.S. enterprises over the past two years. U.S. officials, however, asked the Japanese to ensure greater transparency in the designated bidding system, to take further steps to prevent bid-rigging, and to broaden the scope of projects for which exceptional market opening measures apply, the sources said.

Under an agreement reached in May 1988 with the U.S., the Japanese Government took exceptional measures to help U.S. enterprises enter Japan's construction market. Japanese officials told the U.S. experts that a total of 12 U.S. companies have won about 60 contracts, valued at 29.8 billion yen, in the past two years. They also pointed out that only a small number of U.S. businesses have sought to undertake construction work in Japan.

Referring to problems in the designated bidding system, U.S. officials pointed out that the rating system stands in the way of U.S. firms entering the construction market, the sources said. The American officials also said that under present circumstances, it is difficult for U.S. enterprises to enter the construction market unless they organize joint ventures with Japanese firms. They asked Japan to take steps to enable U.S. firms to enter the market on their own, the sources added.

Machine Tool Arrangement Said Working Well

OW0805132590 Tokyo KYODO in English 2058 GMT 8 May 90

[Text] Tokyo, May 8 (KYODO)—Japan and the United States agreed Tuesday that the 1986 bilateral arrangement governing trade in certain machine tools has been effective in achieving its goal of revitalizing the U.S. machine tool industry, officials of the Ministry of International Trade and Industry (MITI) said. Based on that assessment, the two sides decided to continue the arrangement until the originally set expiration date of December 31, 1991, the officials said.

The trade officials of the two countries were meeting for the third-year review of the arrangement as provided for in the original agreement. The arrangement was made to "create a period of stability of trade" in machine tools to support the U.S. machine tool industry, which was then faltering in the face of a flood of Japanese exports.

Japan has been voluntarily restricting its exports of machine tools to the U.S. to put a cap on the Japanese share in the U.S. market of six specified categories of machine tools.

The revival of the U.S. industry is clearly reflected in some vital figures, MITI says. Domestic shipments have increased from 2,659 million dollars in 1985 to 2,764 million dollars in 1989. Net new orders have also risen, to 2,808 million dollars from 2,528 million dollars in 1985.

Meanwhile, U.S. exports of machine tools more than doubled, from 387 million dollars in 1985 to 950 million dollars in 1989.

Also signaling the effectiveness of the arrangement is a growing Japanese investment in machine tool manufacturing in the U.S. Total investments by Japanese companies from 1987 to 1989 amounted to at least 150 million dollars, according to MITI.

These investments, and the consequent transfer of Japanese technology to American soil, have made substantial contributions to getting the U.S. industry back on track, MITI says.

For all such progress made so far, however, the two sides agreed that the rebuilding process is long-term and requires continued effort, and that it is critical for them to continue working together to achieve the objectives of the arrangement, officials said.

With regard to specific problems, the two parties forged a consensus over how to determine when exports of machine tool components constitute unassembled machine tools or kits, which are to be counted as exports of finished products, according to the MITI officials.

Foreign Ministry Downplays PRC Criticism

OW0805143190 Tokyo KYODO in English 1356 GMT 8 May 90

[Text] Tokyo, May 8 KYODO—The Foreign Ministry on Tuesday downplayed official Chinese press reports interpreted as being critical of Prime Minister Toshiki Kaifu's just-ended Asian tour, saying it viewed them as "explanatory."

"We feel that it infringes on the truth to conclude that (these publications) were 'critical' or were otherwise reporting in a negative fashion," Foreign Ministry Spokesman Taizo Watanabe said in a meeting with Japanese reporters. Watanabe's statements were aimed at offsetting Japanese press views of China's media reaction on Kaifu's five-nation Asian tour and of an article published recently by Vice Foreign Minister Takakazu Kuriyama outlining Japan's foreign policy goals in the 1990s.

The official Chinese media—including XINHUA NEWS AGENCY, THE PEOPLE'S DAILY, and WORLD KNOWLEDGE—pointed to Japan's switch to "superpower diplomacy" in reports and commentaries on Kaifu's April 28-May 6 trip.

Watanabe said the Foreign Ministry has analyzed the Chinese publications in question and found that their comments did not necessarily reflect "criticism or vigilance" with respect to the direction of Japanese diplomacy. He said the Chinese media merely analyzed the content of Kaifu's remarks and Kuriyama's essay and introduced their findings to their readership in an "explanatory manner."

But Watanabe said that from his experience with the Chinese, references to "superpower diplomacy" are often intended as flattery and are not necessarily "critical" in nature.

Both Kaifu and Kuriyama expounded on Japan's intentions to boost its global role and contribute to the building of a "new international order" in the wake of East-West rapprochement. Watanabe, speaking earlier in the day with foreign correspondents, said that while the new order "is something which nobody can visualize yet," Japan wants in the meantime to seek ways of making "more positive contributions" to the world.

"In some countries, this position of ours seems to be a little bit misunderstood," he said. "We are trying to respond to (overseas expectations) that Japan should play a responsible role in proportion to the increasing economic and political power of this country," he said.

On the proposal Thai Prime Minister Chatchai Chunhawan made last week for Japan to engage in joint naval exercises with Thailand, Watanabe said, "our response is that it's an interesting idea and we should look into it. But there is no definite agreement as to what is the concrete formula by which this idea should be followed up," he noted.

Watanabe said that Chatchai also told Japan's Defense Agency Chief Yozo Ishikawa in Bangkok last Thursday that some members of the Association of Southeast Asian Nations (ASEAN) are worried about a possible political vacuum resulting from a withdrawal of major military powers from the Asian region. He said Chatchai then suggested that "other forces" could be there to contribute to regional stability.

Watanabe said Ishikawa told Chatchai that Japan cannot play such role because of its constitutional restraints on deploying its defense forces abroad.

DPRK Said Ready To Receive LDP Delegation

OW0905013190 Tokyo KYODO in English 0050 GMT 9 May 90

[Text] Tokyo, May 9 KYODO—North Korea is willing to accept a visit by a delegation from Japan's ruling Liberal Democratic Party [LDP], a Japanese opposition Diet member said on his return from a visit to Pyongyang on Tuesday night. Japan Socialist Party (JSP) Diet member Hajime Fukada told reporters at Narita Airport after returning from a five-day visit to North Korea that officials in Pyongyang indicated their willingness to meet with an LDP delegation.

There are no diplomatic relations between Tokyo and Pyongyang, and the JSP, Japan's largest opposition party, has acted as a link between the two governments.

Fukada, a House of Councilors member and head of the JSP's National Movement Bureau, said he met Ho Dam, a Politburo member of the ruling Korea Workers' Party, but did not elaborate on contents of their meeting. He said officials told him the North Korean party will send a Politburo-level mission to Japan and accept a visit by a JSP delegation to be led by its vice chairman, Makoto Tanabe.

North Korea showed a positive attitude toward settling the case of two Japanese seamen detained there since 1983, Fukada said. The men are the skipper and first mate of a cargo ship on which a North Korean soldier stowed away and came to Japan. The two were held the next time their ship visited North Korea.

Former Deputy Prime Minister Shin Kanemaru has said he wants to lead an LDP delegation to North Korea.

Police Make Preparations for No Tae-u Visit

OW0805160090 Tokyo KYODO in English 1439 GMT 8 May 90

[Text] Tokyo, May 8 KYODO—Dozens of government antiterrorist squads and hundreds of riot police staged mock battles against phony terrorists on Tuesday as part of security exercises to prepare for South Korean President No Tae-u's upcoming visit to Tokyo. The police drills coincided with activity by the Imperial Household Agency to review protocol procedures and plan welcoming ceremonies and entertainment for South Korean VIPs.

The preparations came on the heels of the government's announcement that No will be making a state visit to Japan on May 24-26.

The Metropolitan Police Department conducted its security exercises with 1,300 police officers, including riot forces, and 130 police vehicles, mobilizing on a landfill on the city's east side. Using vehicles equipped with water cannons and anti-explosive devices, police staged practice rescues of South Korean VIPs by helicopter from burning lines of cars and conducted identification drills to practice pinpointing suspicious figures among bystanders.

At the conclusion of the exercise, the top police official in charge of No's security gave a pep talk to the security officers, cautioning them that international terrorists have expanded, well organized networks and sophisticated weaponry.

Time bomb devices, which are used by radicals for arson, were experimentally burnt at the site to practice defusing.

The National Police Agency said it is planning to mobilize some 20,000 police officers against the Chukakuha (Middle Core Faction) and other leftist and rightist radicals.

The Chukukuha is a leftist group which opposes the imperial system and vehemently opposes No's visit as a revival of imperialism in Japan. Rightist groups also have been critical of No's planned visit. They are demanding that South Korea should return the Japanese-claimed Takeshima—a small island in the Sea of Japan known in Korea as Dokto—to Japan.

Japan's top protocol officials at the Imperial Household Agency also were busy. They discussed proposals for entertaining the presidential couple, who are to meet with Emperor Akihito and Empress Michiko in a ceremony and attend a court banquet at the Imperial Palace on May 24.

Official welcoming ceremonies and activities do not differ much from the first visit to Japan by former President Chon Tu-hwan in 1984, except the court banquet will be the largest since Emperor Akihito ascended to throne in January 1989. About 150 Korean and Japanese guests are expected to be invited.

Imperial Household Agency officials said they wish to treat No and his wife in the light of close historical relations between the two nations, and are considering a joint concert of traditional Korean and Japanese music.

South Korean officials are expecting an official apology from the emperor on Japan's wartime atrocities in Korea, which Japan ruled from 1910-45. Imperial Household Agency officials said they will try to keep the mood of the visit as friendly as possible.

From this point of view, medals will not be included in gifts to be exchanged between the imperial couple and the Nos, officials said. No's visit is anticipated by both sides to become a landmark to put an end to past ill feelings and launch a "new economic and political partnership."

GDR's Meckel Meets JSP Leader Doi in Berlin

OW0705054390 Tokyo KYODO in English 0421 GMT 7 May 90

[Text] Berlin, May 6 KYODO—East German Foreign Minister Markus Meckel urged Japan Socialist Party (JSP) leader Takako Doi to promote investment in East Germany as the nation prepares for unification with West Germany, JSP officials said. In a meeting with Doi on Sunday [6 May], Meckel expressed strong hopes that the JSP will urge Japanese industries to help develop the Eastern economy in a unified Germany, the officials said.

Meckel, who also is the head of the Social Democratic Party (SDP) in East Germany, said he welcomes visits of economic missions from Japan.

"For the development of Europe as a whole, the economy of a unified Germany, expected to become very powerful, must stay healthy," Meckel told Doi.

Meckel said he would gladly accept an invitation to visit Japan and deepen relations with the JSP, as Doi promised to support such exchanges of economic activities and people, the officials said.

Meckel said he is opposed to the unified Germany joining the North Atlantic Treaty Organization (NATO). But he said the issue should be decided in the next foreign ministerial meeting of the two Germanys and the victorious World War II powers—the United States, the Soviet Union, France, and Britain.

Meckel said the Soviets, who have insisted that a unified Germany should be neutral, could approve of Germany joining NATO depending on new conditions.

Earlier Sunday, Doi visited the Berlin Wall and walked from West Berlin into East Berlin, remarking that the atmosphere was considerably better than on her last visit to the wall eight years ago.

Ecuadoran Foreign Minister Meets With Nakayama

OW0905084190 Tokyo KYODO in English 0739 GMT 9 May 90

[Text] Tokyo, May 9 KYODO—Ecuador's Foreign Minister Diego Cordovez on Wednesday called on Japan to strongly support his country's efforts to shake its crippling external debt problem. Cordovez, a former undersecretary general of the United Nations who is in Tokyo as an official guest of the Japanese Government, made the request in a 40-minute meeting with Foreign Minister Taro Nakayama, a Japanese Government spokesman said.

Cordovez warned that excessive disruption of the social fabric of his country as a result of its heavy debt repayment burden could affect the political sphere as well, thus endangering Ecuador's young democracy.

Ecuador, which has an annual gross domestic product of 8.5 billion dollars, has chalked up some 11.5 billion dollars in foreign debt. Nakayama pledged that Japan will continue to support Ecuador as part of its plan to improve assistance to Latin America as a whole.

The two foreign ministers inked four agreements, including an 8.9 billion yen official loan for an electricity transmission line and a 44 million yen grant for audiovisual equipment to make educational television programs.

Japan also agreed to reschedule a series of old official loans and send Japanese Peace Corps volunteers to Ecuador.

Cordovez told Nakayama that Ecuador has been forced to make harsh economic policy choices, including the implementation of an emergency economic adjustment plan. He said Ecuador is now participating in related consultations with the World Bank and the International Monetary Fund (IMF) while engaging in tough debt-relief negotiations with groups of private foreign creditors. Noting that the Brady Plan for debt relief has been applied successfully to Mexico and Venezuela, Cordovez said Ecuador has been pressing to have it eventually applied in its case as well.

Kaifu Urges Diet Leaders To Push Reform Talks

OW0805115090 Tokyo KYODO in English 0844 GMT 8 May 90

[Text] Tokyo, May 8 KYODO—Prime Minister Toshiki Kaifu urged Diet leaders Tuesday to cooperate in discussions on election system reforms, officials said. In separate meetings with House of Representatives Speaker Yoshio Sakurauchi and House of Councillors President Yoshihiko Tsuchiya, Kaifu reiterated his determination to carry out electoral reforms in line with recommendations submitted by the Election System Council.

The Advisory Council to the prime minister recently proposed a combination of single-seat constituencies and a proportional representation system to replace the current multiple-seat constituency system for the lower house.

In response to Kaifu's request, Sakurauchi promised his cooperation in providing opportunities for parliament discussions if the government submits a reform bill to the Diet. Sakurauchi also stressed the need for sufficient talks on the matter between the ruling Liberal Democratic Party and opposition parties as did Tsuchiya. He noted that the reforms would greatly affect the fate of all lower house members.

Kaifu told Sakurauchi that he intends to call for opposition party leaders to hold talks before submitting the bill to the Diet.

Tsuchiya asked Kaifu to make every effort to discuss the electoral system, which he said is high on the public's list of concerns.

MITI Minister Meets Petroleum Industrialists

OW0905050490 Tokyo KYODO in English 0357 GMT 9 May 90

[Text] Tokyo, May 9 KYODO—Leaders of the Japanese petrochemical industry told International Trade and Industry Minister [MITI] Kabun Muto on Wednesday that a weak yen and the tight labor market are pushing up costs and squeezing their profits, MITI officials said. The head of the Association of Petrochemical Industries, Hideo Mori, told Muto that the weakening of the yen has nudged up import prices of naphtha, which constitutes 99 percent of the raw materials used by the industry, according to the officials.

Also cranking up costs is a severe labor shortage, especially of skilled workers for plant repairs Mori was quoted as saying. The labor crunch is also hurting distribution networks due to a shortage of truck drivers, he said.

These factors have caused a dent in profits even though sales are on an upswing, the industry leaders said.

The total profits of 12 leading petrochemical makers fell from 199.5 billion yen in Fiscal 1988 to 191.1 billion yen in Fiscal 1989, which ended March 31, according to MITI. In contrast, sales rose to 2.57 trillion yen in Fiscal 1989 from 2.28 trillion yen in the previous year.

Mori also asked Muto to help companies in the industry diversify their raw materials to escape the current complete dependence on naphtha.

Mori, who is president of Sumitomo Chemical Co., called for tax exemption of natural gas liquid and for scrapping the storage obligation for liquefied petroleum gas so that these materials may partly replace naptha.

Muto reportedly promised to take steps toward that end.

Reforms in Short-Term Money Market Planned

OW0805125990 Tokyo KYODO in English 1005 GMT 8 May 90

[Text] Tokyo, May 8 KYODO—The Bank of Japan and the Finance Ministry have worked out a plan to introduce a set of money market reforms in a bid to bring the mechanism more into line with international standards, financial sources said Tuesday. The Japanese monetary and financial authorities expect the planned revision to promote free competition among market participants, leading to fair and transparent money transactions.

The market reform, which a high-ranking central bank official said is likely to follow structures in the U.S. money market, will be explained at the forthcoming Japan-U.S. financial talks scheduled for May 21-22 in Tokyo. The revision involves the further opening of the money brokerage market, now limited to six Japanese brokers, to foreign-affiliated financial institutions.

The revamping also aims to make short-term interest rates better reflect the market's real supply-demand balance of funds. To this end, the central bank is considering promoting direct transactions between financial institutions, thereby facilitating fund-raising by foreign banks operating in Japan, the sources said.

The current system, in which designated Japanese brokers quote a price for the secured call money at the outset of daily trading, has been under attack by foreign banks because of obscure interest-rate formation.

Another centerpiece of the revision is the phasing-out of the central bank's lending to commercial banks, an area also criticized by foreign institutions.

In its place, the central bank will expand the market for treasury bills to make it a key vehicle for adjusting fund supply and demand in the short-term market, the source said.

Corporate Capital Outlays To Rise 6.7 Percent

OW0805125090 Tokyo KYODO in English 0832 GMT 8 May 90

[Text] Tokyo, May 8 (KYODO)—Japan's corporate capital investment will rise 6.7 percent in the current fiscal year from the previous year, the Economic Planning Agency said in a quarterly survey released Tuesday.

The increase represents an abrupt slowdown in the double-digit growth recorded for the preceding three fiscal years. This year's 6.7 percent increase in planned corporate spending compares with a jump of 20.2 percent in fiscal 1989 and of 26.7 percent in fiscal 1988, the EPA official said. He said the slow growth plans reflect anxiety over the economy, fueled by recent stock and foreign exchange market woes.

"The survey taken from March 1 to about March 20 reflects anxieties regarding the future of the nation's economy felt during that time," an EPA official said. "The economic outlook seemed very bleak at that time due to the tumultuous stock and foreign exchange markets, which were falling at a dizzying pace," he said.

The latest survey showed that 4,207 companies capitalized at 100 million yen or more plan to raise their investment in plant and equipment by 1.4 percent in the April-June period from the preceding quarter, following a 0.9 percent increase in the January-March quarter.

The survey also shows dimmer business prospects among those polled, mirroring a slowdown in the economic expansion that has entered its fourth year of domestic demand-led growth. For example, the business survey index, which is a barometer of corporate sentiment regarding business conditions, stood at minus 4 for the July-September quarter. This is the first time in three years that the index has wound up on the minus side.

The index stood at plus 4 for the April-June period and plus 19 for the preceding quarter. The index is worked out by subtracting the percentage of companies expecting an economic pickup from that of companies braced for a contraction.

In 18 manufacturing sectors, the index stayed above the break-even point in 10 sectors for the April-June period and did so for only four sectors for the July-September period.

The shipbuilding, printing-publishing, and electrical machinery sectors are among the categories with bullish business sentiment, the official said.

In the nonmanufacturing sector, the index was on the plus side for all 10 industries for the April-June quarter, but only for three industries for the July-September quarter.

"Investment by the real estate sector looks as if it will suffer a severe setback due to tighter controls over speculative land purchases," said the official.

Poll Says Living Standards Seen as Declining

OW0805125490 Tokyo KYODO in English 0950 GMT 8 May 90

[Text] Tokyo, May 8 KYODO—For the first time in three straight quarters, Japanese consumers say their standards of living have declined, according to a government survey released Tuesday. The Economic Planning Agency (EPA) said its index of consumer confidence fell 1.8 percent from the previous quarter to a seasonally-adjusted 46.8 percent in the January-March period.

An EPA official attributed the perception to the burden of interest rate payments on loans and the feeling of a general downturn in the economy which has "put a damper on consumer confidence." "The fact that the survey was taken in March at a time when worries of the nation's economic outlook were at their peak following huge losses suffered by the stock and currency markets has also played a role in the drop in the index measuring consumer confidence," he said.

The EPA's latest survey of 5,021 households nationwide as of March 15 asked consumers whether their standards of living had improved, remained the same, or had deteriorated over the last quarter. The agency has conducted the survey on a quarterly basis since 1982 to gauge basic consumer sentiment and to track spending on durable goods.

The decline recorded in the last quarter compares with a 2.1 percent gain in the final quarter of 1989, and a 3.7 percent jump in the quarter before that, the official said. Despite such concerns, demand for durable goods including badding dryers [as received], microwave ovens and heaters, remained strong in the latest reporting quarter, he said.

Of the households surveyed, 3.5 percent of the total said they had remodeled their homes in fiscal 1989, up 0.2 percent from the previous year. A modest 2.1 percent said they had purchased new homes during the period, also up 0.2 percent from fiscal 1988.

North Korea

Japan Warned Against Crackdown on Chongnyon

SK0905110490 Pyongyang KCNA in English 1015 GMT 9 May 90

[Text] Pyongyang May 9 (KCNA)—If the Japanese authorities persist in their policy hostile to our republic and crack down on the General Association of Korean

Residents in Japan (Chongnyon) and Koreans in Japan, resorting to double-dealing tactics and not acting up to their words, despite our warnings, they will be held wholly responsible for all the consequences arising therefrom, declared a spokesman for the DPRK Foreign Ministry in a statement today.

According to the statement, the Japanese police authorities on the morning of May 6 set in motion several armoured vehicles, a large number of armed police and mobile corps and searched the Tokyo Korean middle and high school, and also sent police to eight places including the Shinjuku, Tokyo metropolis, branch office of Chongnyon and the Tokyo Clinic of The Life of Koreans in Japan to arrest three Koreans.

It is a product of the intolerable hostile policy toward the DPRK and Chongnyon that the Japanese police authorities illegally arrested Chongnyon officials on unreasonable charges and searched their offices and the middle and high school, an inviolable seat of national education of Korean citizens in Japan.

The shameless acts committed by the Japanese reactionaries in a terror-ridden atmosphere remind one of the murder and suppression of Koreans in Japan by the Japanese imperialists during their colonial rule over Korea in the past.

We cannot but pay particular attention to the fact that the anti-DPRK, anti-Chongnyon campaign of the Japanese reactionaries has been carried into extremes with No Tae-u's trip to Japan at hand.

Facts eloquently prove that the brutal suppression by the Japanese authorities is a product of the sinister political conspiracy of Japan and the South Korean puppets.

All the long string of intrigues framed so far by the Japanese reactionaries to suppress Chongnyon and Korean citizens in Japan have been high-handed, but the recent incident is without precedent in shamelessness and brutality.

It must not be overlooked that the Japanese authorities, while talking that they want contact and dialogue with our country, are intensifying the suppression of Korean citizens in Japan as never before and remaining hostile to our republic and Chongnyon in practical action contrary to their words that they "repent of the past days," will "promote the improvement of relations" and "dispatch" a high-level delegation.

No matter what honeyed-words the Japanese authorities may utter, resorting to a double-dealing tactics riding on the crest of the trend of the present times, they can no more conceal their real intention than they can conceal a gimlet in a bag.

The Korean people bitterly denounce the current repression by the Japanese authorities as a new open expression of their hostile policy toward our Republic and a desperate move to destroy the Chongnyon organisation and stifle the patriotic movement of the Koreans in Japan.

The Japanese reactionaries' suppression of Chongnyon and Korean residents in Japan totally contravenes the will of the Japanese people and progressive forces that desire friendship between the Korean and Japanese peoples.

The Japanese authorities must stop at once their gangster-like reckless acts, promptly release the imprisoned Koreans and immediately take a measure to defuse the hostile feelings which has been created within Japan today owing to their anti-DPRK, anti-Chongnyon political smear campaign which runs counter to the flow of the times.

We will never pardon any acts of suppressing the legitimate activities of Chongnyon, a dignified overseas citizens' organisation of our Republic, and violating the democratic national rights of Korean residents in Japan.

Daily Urges U.S. Withdrawal 'Without Delay'

SK0905113590 Pyongyang KCNA in English 1007 GMT 9 May 90

[Text] Pyongyang May 9 (KCNA)—The U.S. Defense Department recently announced a "cutback program" of the U.S. aggression armed forces in South Korea.

The "troop cutback" is reportedly to be made gradually and cautiously on the premise that this will bring no change in the "strategical situation" on the Korean peninsula and the U.S.-South Korea "security treaty." This alone clearly indicates that the "cutback program" of the U.S. forces present in South Korea is a dummy program, NODONG SINMUN today in a signed article says, and continues:

What is noteworthy in this is that the United States made public this program and, at the same time, is taking new steps of arms reinforcement including the additional deployment of "F-16" fighter-bombers in South Korea. In South Korea it is increasing the number of nuclear depots and building extra-large airfields for a nuclear attack, and supplies latest type combat equipment to the U.S. Army units there.

The U.S. ruling quarters now face difficulties in keeping South Korea under their military occupation.

Above all, it has become difficult for them to turn their back any longer on the international trend toward disarmament, the trend of the times in which armed forces in foreign territories are being withdrawn.

Another problem facing the United States is that it is very difficult now for the U.S. to bear fabulous military spendings overseas.

The "troop cutback" program brought forward by the United States facing such difficulties in keeping South

Korea under its military occupation is chiefly aimed at appeasing the public opinion at home and abroad which demands the U.S. forces' withdrawal from South Korea by pretending to keep pace with the international trend of foreign troop pullout and, at the same time, at forcing the South Korean puppets to bear more of the share for the upkeep of the U.S. forces present in South Korea.

The United States is trying to justify the U.S. troops' long-term occupation of South Korea under the pretext of "protection" of South Korea from the "threat from the North." But, this works no more.

The United States, unable to cling to the fiction of "threat from the North" the falsity of which has been dragged into the light of day, is resorting to a new ruse to maintain the permanent occupation of South Korea by its troops, lulling public opinion with prolonged symbolic "reduction".

If the United States truly want detente, peace and peaceful reunification in Korea, the paper stresses, it must take a step without delay to make the U.S. forces withdraw from South Korea completely.

'Frenzied' U.S. Aerial War Games Continue

SK0905112390 Pyongyang KCNA in English 1044 GMT 9 May 90

[Text] Pyongyang May 9 (KCNA)—The U.S. imperialists brought into South Korea formations of "F-16" fighter-bombers, "A-6" assault planes and "KC-135" refuellers from their overseas bases on May 7 and 8 and let them fly in a war game as part of their combined aerial exercises simulating a forestalling attack on targets in the operational depths of the northern half of Korea in coordination with "F-16," "F-4" and "F-5" fighter-bombers belonging to the U.S. 7th Airforce and the puppet airforce, according to military sources.

The number of the warplanes mobilized in war exercises of various kinds in the sky above South Korea on May 7 and 8 totalled more than 600.

These war games will reportedly continue for nearly ten days.

Meanwhile, the South Korean puppets sent a total of more than 80 "F-4" and "F-5" fighter-bombers belonging to the puppet airforce to the sky above Nyongwol, Yechon, Tanyang and Samchok areas in a planned manner from around 08:00 to 19:00 May 6 to frantically stage an aerial war game for attack on the North.

These frenzied war games of the U.S. imperialists and the South Korean puppets fully show that they are not interested at all in the relaxation of the tension on the Korean peninsula but are only looking for a chance to invade the north persistently following the policy of war.

U.S. 'Brute' Runs Over Two People, Kills One

SK0905051690 Pyongyang KCNA in English 0417 GMT 9 May 90

[Text] Pyongyang May 9 (KCNA)—A U.S. imperialist aggression army soldier ran a car over South Koreans on May 6, according to a radio report from Seoul.

The brute named Ereth (transcribed from Korean), while madly driving the car, hit a woman aged 62 and her son at a crossing.

It was reported that the woman breathed her last on the spot and her son was heavily wounded and in a critical condition.

Many innocent South Korean people are killed by the U.S. imperialist aggression army.

Editorials Dedicated to Soviet War Victory

SK0905053090 Pyongyang KCNA in English 0442 GMT 9 May 90

[Text] Pyongyang May 9 (KCNA)—NODONG SINMUN and MINJU CHOSON today dedicate editorial articles to the 45th anniversary of the victory of the Soviet people and army in the great patriotic war.

The editorial article of NODONG SINMUN entitled "historical victory in defending socialism" says:

The Korean people extend warm felicitations to the Soviet people and army on this occasion.

The great patriotic war was an acute class struggle to defeat the enemies of socialism and defend the gains of the October socialist revolution and a just revolutionary war to save mankind and safeguard world peace.

The Soviet people and army under the leadership of the Communist Party of the Soviet Union bore the brunt of World War II and defeated the fascist invaders, displaying mass heroism, and thus creditably defended the first socialist state in the world and made a decisive contribution to liberating the peoples of many countries from the yoke of fascism and saving world civilization.

The historical victory of the soviet people and army in the Patriotic War was a powerful demonstration of the incomparable superiority of the socialist system to the capitalist system and the invincible vitality of the socialist system.

This victory was entirely attributable to the correct leadership of the Communist Party of the Soviet Union, the might of the Soviet socialist system and the unbreakable unity of the masses.

It also showed that no force could undermine socialism which the masses chose and cherished in their hearts.

The Korean people rejoice over the achievements made by the Soviet people in socialist construction and express firm support and solidarity for their struggle to preserve world peace and security.

Today the imperialists are leaving no stone unturned in a bid to destroy the socialist forces by allied forces.

Although the imperialists work hard to reverse the current of history, they will never block the advance of the people along the road of independence. As the road of socialism is an untrodden path, there might be turns and twists in its advance. Unchangeable, however, is the truth of history that mankind should take the road of socialism without fail.

The present situation makes it incumbent on the world revolutionary people to unite firmly and check and foil the imperialist moves of aggression and war.

The Korean people will defend peace in Asia and the rest of the world and resolutely fight for the victory of the cause of chajusong in unity with the peoples of the socialist countries including the Soviet Union and non-aligned countries and all other progressive people of the world.

MINJU CHOSON says the Korean people sincerely wish the fraternal Soviet people great success in their efforts to increase the might of the country and preserve world peace.

Officials Attend Soviet Film, Reception

SK0905052490 Pyongyang KCNA in English 0421 GMT 9 May 90

[Text] Pyongyang May 9 (KCNA)—The Soviet consulate general in Chongjin arranged a film reception on May 8 on the occasion of the 45th anniversary of the victory of the Soviet people in the Great Patriotic War.

Invited there were secretary Yi Kil-ho of the North Hamgyong Provincial Committee of the Workers' Party of Korea and other officials concerned.

The consul general and officials of the Soviet consulate general were present.

The participants appreciated a Soviet film, which was followed by a reception.

Speeches were exchanged at the reception which proceeded in a friendly atmosphere.

Yi Chong-ok Meets Bulgarian Ambassador

SK0704222890 Pyongyang KCNA in English 1518 GMT 7 May 90

[Text] Pyongyang May 7 (KCNA)—Vice-President Yi Chong-ok met and had a conversation at the Mansudae Assembly Hall Monday with Bulgarian Ambassador to Korea Petur Danailov who paid a farewell call on him.

Present there was Vice-Minister of Foreign Affairs Yi In-kyu.

Greetings Sent to Czechoslovak President Havel

SK0805104290 Pyongyang KCNA in English 1026 GMT 8 May 90

[Text] Pyongyang May 8 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to President Vaclav Havel of the Czech and Slovak Federative Republic on the 45th anniversary of the liberation of Czechoslovakia.

The message expresses the belief that the friendly relations between the peoples of the two countries will continue to develop and wishes the president success in his work for the national prosperity.

Greetings Sent to GDR Leader on Anniversary

SK0805105590 Pyongyang KCNA in English 1039 GMT 8 May 90

[Text] Pyongyang May 8 (KCNA)—Yon Hyong-muk, premier of the Administration Council, sent a message of greetings to Lothar de Maiziere, prime minister of the German Democratic Republic, on the occasion of the 45th anniversary of the liberation of the German people from fascism.

The message wishes him success in his work for the stability of the country and the wellbeing of the people.

Condolence Message Sent to Cuban Government

SK0805111790 Pyongyang KCNA in English 1050 GMT 8 May 90

[Text] Pyongyang May 8 (KCNA)—The Administration Council of the Democratic People's Republic of Korea sent a message of condolence to the council of Ministers of the Republic of Cuba over the recent unexpected train accident in matanzas, Cuba.

Saying that the DPRK Administration Council expresses deep sympathy and condolences to the Council of Ministers of the Republic of Cuba and the bereaved families of the victims, the message manifests the belief that the damages caused by the train accident will be healed at an early date.

Yang Hyong-sop Meets Pakistani Assemblyman

SK0805110790 Pyongyang KCNA in English 1037 GMT 8 May 90

[Text] Pyongyang May 8 (KCNA)—Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly, met and had a friendly conversation at the Mansudae Assembly Hall Tuesday [8 May] with Syed Abdullah Shah, speaker of the Sind Provincial Assembly, Pakistan, and his party.

Present there were Chon Yon-ok, vice-chairman of the Committee for Cultural Relations with Foreign Countries, and Jafar Habib, Pakistani ambassador to Korea.

Red Cross Sends Message on Han Pil-song Visit

SK0905104890 Pyongyang Domestic Service in Korean 0707 GMT 9 May 90

[Telephone message from Yi Song-ho, acting chairman of the Central Committee of the DPRK Red Cross Society, to Kim Sang-hyop, president of the South Korean Red Cross—read by announcer]

[Text] To Kim Sang-hyop, president of the ROK Red Cross

I think it is good that your side is allowing Mr. Han Pil-song to visit Pyongyang, and I welcome this.

Despite your side's unjust measures, and despite circumstances that have prevented the work on the second exchange of art troupes and home-visiting groups to come to fruition, our side's unprecedented decision to permit a visit to Pyongyang by Mr. Han Pil-song and his family members is an expression of our humanitarian views and generosity.

To realize the visit to Pyongyang by Mr. Han Pil-song and his family amid an atmosphere of freedom and without any inconvenience or liability, according to their wishes and demands, I put forward the following proposals to your side:

First, when Han Pil-hwa and her brother met in Sapporo, Japan, your side's act of having Mr. Han Pil-song carry a bugging device was extremely cruel and inhumane, violating and infringing upon basic human rights. This act was greatly denounced at home and abroad. In turn, your side should apologize to the entire nation for this act and should promise not to commit similar acts that infringe on human rights.

Recently, your side's press organs have wrongly denounced us, saying that we are trying to block the safe return of Mr. Han Pil-song and his wife and that we are trying to use their Pyongyang visit for political gains. We point out that this shows the arrogant intention of your side's authorities, who do not welcome Mr. Han Pil-song's visit to Pyongyang.

Second, Mr. Han Pil-song's elderly mother wants her son to bring all of his family members to Pyongyang during his visit. Your side, however, is ignoring her wish and is attempting to send only Mr. Han Pil-song and his wife. Therefore, we cannot doubt that this is yet another example of your side's arrogance. Considering that Mr. Han Pil-song's mother sincerely wants her son to bring his daughters-in-law and grandchildren, so that she can live with them and no longer be separated from them once her son and his family come to Pyongyang, we are again asking your Red Cross to send Mr. Han Pil-song and his entire family to Pyongyang, as his elderly mother wishes.

Third, because Han Pil-hwa is currently on an overseas trip, in deference to the wishes of her mother, we are notifying your side that it would be appropriate for Mr. Han Pil-song and his family to visit Pyongyang on 21 May.

At the same time, in connection with the question that your side put forward concerning the safe return of Mr. Han Pil-song and his wife, I will clarify our position. Our side will have the authorities concerned thoroughly guarantee the personal well-being of Mr. Han Pil-song and his family during their visit to Pyongyang. Nevertheless, we must point out that the question of their returning to the South should be decided by those directly concerned, including Mr. Han Pil-song and his mother.

I look forward to your side's reply as soon as possible.

[Signed] Yi Song-ho, acting chairman of the Central Committee of the DPRK Red Cross Society
[Dated] 9 May 1990

'No Amount of Intrigues' Can Conceal Wall

SK0905052890 Pyongyang KCNA in English 0436 GMT 9 May 90

["Criminals Always Feel Guilty Conscience"—KCNA headline]

[Text] Pyongyang May 9 (KCNA)—The South Korean puppets not only refused to accept our demand that they take over a film, a video tape and photographs of the concrete wall but turned down even our offer to conduct a joint investigation of it. This is as good as admitting that there exists the concrete wall in the area South of the Military Demarcation Line (MDL), says NODONG SINMUN in a commentary today.

If there were no concrete wall in the area of South Korea and they did not feel a guilty conscience, there would be no reason for them to refuse to accept our proposal for to make a joint investigation for an objective verification of whether it really exists or not, the news analyst says, and goes on:

They categorically took exception to a joint investigation into the concrete wall for fear that the truth of the wall of division stretching more than 240 kilometers in the area South of the MDL should be made known to the world. No matter how persistently they may contend that there is no concrete wall which actually exists in the area of South Korea, it would not disappear. The members of an international fact-finding team who visited the Northern half of Korea to ascertain whether the concrete wall exists or not made an on-site verification of the wall built in the area South of the MDL.

The puppets' act in denying the existence of the concrete wall and refusing a joint investigation of it is nothing but a manifestation of their criminal stand not to pull down the wall of division but build it higher to shut the door tighter between the North and the South, harshly crack down on the reunification movement of the South Korean people and persist in their anti-communist war moves.

"Travels," "opening" and "unification" on the lips of those who want to keep the concrete wall intact are a fiction not worth a farthing.

With no amount of intrigues can the puppets conceal the concrete wall.

Our nation and human conscience will watch the puppets and continue calling them to account for their crime till they have admitted of their own accord the existence of the concrete wall in the area of South Korea and pulled it down.

Socialist Workers Party Sends Protest Letter

SK0705054190 Pyongyang KCNA in English 0514 GMT 7 May 90

[Text] Pyongyang May 7 (KCNA)—A letter of protest addressed to the No Tae-u clique opposing the violation of human rights in South Korea and demanding the demolition of the concrete wall built in the area South of the Military Demarcation Line was adopted at the forum of workers which was held in New York on April 14 under the auspices of the Socialist Workers' Party of the United States.

Noting that the South Korean "regime" has built the concrete wall in the area South of the Military Demarcation Line for a permanent division of Korea, the letter strongly demanded its prompt dismantlement.

It also denounced the South Korean "regime" for having illegally arrested Yim Su-kyong, Mun Kyu-hyon and other public figures and demanded their unconditional and immediate release.

People's Alliance in South Vows To 'Smash' DLP

SK0905051190 Pyongyang KCNA in English 0414 GMT 9 May 90

[Text] Pyongyang May 9 (KCNA)—The people's alliance to smash the "Democratic Liberal Party [DLP]" and win the vital rights of people, which consists of "Chonnohyop [National Council of Labor Unions]," "Chongyojo [National Teachers Trade Union]," "Mingahyop [The Council of the Family Movement for Practicing Democracy]," "Chonminnyon [National Democratic Aliance of Korea]" and other dissident organisations of South Korea, made public a statement at a press conference on May 7 and declared that it would wage a large-scale struggle against the "inaugural meeting of the Democratic Liberal Party," according to a report.

The statement said that the people's alliance decided to hold people's rallies demanding the dissolution of the "DLP" and the resignation of the traitor No Tae-u at once in Seoul, Pusan, Taegu, Kwangju and three other cities of South Korea on May 9, the day of the "inaugural meeting of "DLP."

The statement demanded the immediate dissolution of the "DLP."

'Reverence' Deepens for Kim Chong-il in South

SK0705055590 Pyongyang KCNA in English 0526 GMT 7 May 90

[Text] Pyongyang May 7 (KCNA)—The feelings of reverence for dear Comrade Kim Chong-il are deepening among people of all walks of life in South Korea.

A professor Pak of Choson University in Kwangju said at a symposium of the ideological circle that Mr. Kim Chong-il, who was born in Mt. Paektu when a gun report for national liberation was heard, fostered the noble aim of patriotism receiving education from his parents from his childhood, shined as a lodestar and cultivated brilliant intelligence and wisdom in the rigorous days of history.

It is the greatest honour and happiness for our people to hold Mr. Kim Chong-il in high esteem as a great leader of the nation, a pressman in Seoul said, and continued:

The pride of the nation and the glory of the era lie in holding Mr. Kim Chong-il in high esteem as a sagacious leader. His august name will shine for ever as a bright sun of guidance.

An old man in Pusan said that Mr. Kim Chong-il is the greatest thinker and theoretician and the sun of guidance who has warm love and magnanimity for the people.

An official Choe of Seoul City office said that bright is the road of our nation because it has dear Mr. Kim Chong-il as a lodestar of the nation.

Chuche Idea, Revolutionary Faith Analyzed

SK0805045090 Pyongyang Domestic Service in Korean 0007 GMT 6 May 90

[NODONG SINMUN 6 May special article: "The Chuche Idea Is the Source That Enables Our People To Live and Struggle With Revolutionary Faith"]

[Text] In our country today, socialist construction has been successfully pushed ahead under the party's leadership. This is because our people are living and advancing along the single road of victory with an invariable and firm revolutionary faith under all difficult circumstances. Even though the revolution has advanced far and generations have changed, our people's revolutionary faith has always been firm and unvaried and has grown stauncher with each passing day.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the party Central Committee, has indicated: When one firmly arms oneself with the chuche idea and advances along its banner, one can surmount any difficulties and trials and win victory in the revolution and construction. This is precisely the faith that our people have cherished deep in their hearts throughout the history of the revolutionary struggle over half a century.

For the popular masses to have a revolutionary faith is a basic factor that enables them to live in a revolutionary manner and to brilliantly shape their destinies. The revolutionary faith is the belief in the justness of the revolutionary cause and its victory. Only when one believes in the revolution's victory can one live and struggle with the revolution's strong aspirations and zeal. Without belief in the justness of the revolutionary cause and its victory, one cannot actively and vigorously rise up in one's revolutionary struggle, but instead will come to merely seek a futile life. Having the faith that the socialist cause will win victory without fail, or having the firm will and determination to consummate the revolution to the end constitutes an indispensable condition to continue the revolution to the end.

Our people are people who have firmly cherished in their hearts the revolutionary faith. The faith that the chuche cause is the most just cause and that its victory is certain is precisely the firm and unvaried faith that our people have cherished deep in their hearts. Because of this firm faith, our people have been able to maintain their dignity and position as a revolutionary people. They wield the pride of being the mighty people who are firmly united as one and advancing only along the single road of the revolution under all circumstances.

It is because of the immortal chuche idea that our people have been able to have such an indomitable and firm revolutionary faith. Generally speaking, one's faith is the belief in one's ideology and views. Ideology is the basis of forming faith. When an ideology is accepted as just and one makes it one's own, then we can say that one has formed one's faith. Even though faith is formed based on ideology, the effect that ideologies have on forming faith is not the same. The content of faith is different according to the content of ideology. What interests man most is precisely the question of his destiny. Man's cognitive activity and practical activity are directed toward shaping his destiny. Proceeding from this, faith becomes different depending on how ideology elucidates the road of shaping human destiny.

The chuche idea most scientifically elucidates the road of shaping human destiny. Human beings are social beings who hold independence to be as valuable as their lives. Therefore, shaping the destinies of human beings is, in essence, the course of completely realizing independence. The chuche idea, by defining the defense and realization of independence as the basic purpose of the revolution, gives scientific answers to all problems that arise in fully realizing this basic purpose. People always have had great interest in their destinies, and many ideologies have discussed this. However, all ideologies have failed to provide a correct answer to the question of human beings' destinies. The most scientific answer to the question of human beings' destinies was provided for the first time only by the chuche idea. This is why people have wholeheartedly believed in the chuche idea and have accepted the idea as their firm faith.

Thanks to the chuche idea, our people clearly know the genuine path in shaping their destinies and have cherished in their hearts a firm revolutionary faith. The chuche idea is our people's mental pillar and their life-giving water. The chuche idea gives our people a revolutionary faith, because the idea gives a correct world outlook for shaping human beings' destinies. Faith is formed based on a world outlook. What answers the question of human beings' destinies is precisely the world outlook. Because one's destiny is decided by one's relation with the world, the world outlook that elucidates the question of relations between the world and human beings constitutes the question of elucidating the basic problem in shaping human beings' destinies. Proceeding from this, people accept the world outlook and make it their faith. The solidity of faith is prescribed according to the scientific and revolutionary nature of the world view.

The philosophical world outlook of chuche is a world outlook which most scientifically elucidates the basic way of shaping human beings' destinies. The philosophical world outlook should be developed and systematized with man placed at the center. In other words, the philosophical world outlook should become a world outlook that includes the view, the viewpoint, and the stand of looking at the world with the men's position and role as its basis.

The philosophical world view of chuche is a man-centered world outlook. It gives the view, viewpoint, and stand of looking at the world with man's position and role as its basis. The philosophical world outlook of chuche scientifically elucidates the position and role of human beings in the world based on its elucidation of the general characteristics of the material world, or the essential characteristics of human beings. The philosophical world outlook of chuche elucidates that man is in the position of the master of the world, that the world is the object which is reformed by man, and that man's strength plays a decisive role in reforming and changing the world. Thus, it has been elucidated that man's destiny is not decided by any of his mysterious existence. Instead, man's destiny is decided by man himself, and man is the master of his destiny and has the strength capable of deciding his destiny.

The discovery of the truth that man is the master of his destiny and is capable of deciding his own destiny is the great achievement of the philosophical world outlook of chuche. This discovery is a historic event and a new milestone in the popular masses' struggle to shape their destinies. Proceeding from this, a basic change in history has been effected. Men have abandoned their concept of relying on external strength for an attitude of cherishing within their hearts the firm faith of believing in themselves.

In believing in man, there is nothing more important than to believe in oneself. Men, that is to say the popular masses, become powerless and incompetent if and when they believe in and rely on any strength that is not their own. On the contrary, when the popular masses believe in their own strength, which exists in reality and is powerful, such strength becomes firmer and stronger.

The chuche idea enables the popular masses to have the firm mental pillar of believing in themselves. By holding to the chuche idea our people do not believe in nor rely on any other strength, and they have come to have the firm faith of believing in themselves. The master of one's destiny is precisely oneself, the strength that can shape one's destiny lies in oneself, and one should cultivate one's own strength. This is precisely our people's faith and will.

The chuche idea also has provided our people with firm revolutionary faith because the idea elucidates a correct theory and ways to shape their destinies. For an ideology to perfectly elucidate the path of shaping men's destinies, it should elucidate not only its world outlook but also its correct theory and methods. The world outlook gives the view, viewpoint, and stand on the question of shaping destiny, while the revolutionary theory and the leadership method of the masses elucidate the direction and method of the practical struggle to shape human being's destinies, the struggle's strategy and tactics, its leadership principles, and its methods of guidance.

Human beings' destinies are shaped through the practical struggle for the revolution and construction. Only when the revolution and construction are successfully carried out can men be free from the restrictions of nature, society, ideology, and culture and thereby shape their destinies. The chuche idea gives the scientific answers to all problems which arise in completely realizing the popular masses' independence by remolding nature and by reforming society and human beings themselves. In other words, the chuche idea elucidates not only the strategy and tactics of socialist and communist construction, but also the theory and method of leading the masses.

The great achievement gained by the chuche-oriented revolutionary theory is that regarding socialist and communist construction as the struggle for the realization of independence of the popular masses, the theory has developed and systematized all problems that arise in this struggle when placing the popular masses' independence at the center. Thanks to the chuche-oriented revolutionary theory, the theory of communist construction—including the appearance and essential characteristics of the communist society, the revolutionary course for its consummation, and the strategy and tactics which should be adhered to firmly on this course—has been completed with the popular masses' independence placed at the center. Thus, the chuche-oriented revolutionary theory gives people the justness of the socialist and communist cause and the firm prospects for and faith in its victory.

With their possession of the chuche-oriented revolutionary theory our people not only have come to extensively realize firm prospects for socialist construction and the task and method for the victory of socialist construction, but they also have come to possess firm faith in socialism. Having made a synthesis of all problems which arise in mass leadership, including the mass leadership system, principles, and methods, is precisely the brilliant achivements gained by the chuche-oriented leadership method. Thanks to this, the chuche idea has become a complete guiding ideology which elucidates even the mass leadership method.

With the possession of the chuche-oriented leadership method our people have come to be more deeply aware of the completeness and greatness of the chuche idea and to more firmly have the faith to believe in the chuche idea. The firm revolutionary faith that the chuche idea gives to our people is also based on the superiority of the socialist system of our country, in which the chuche idea has been embodied. Practice is the basis of truth. The truthfulness of an ideology is proved by the social system under which the ideology has been embodied.

Our country's socialist system in which the chuche idea has been embodied has demonstrated great superiority and vitality. The socialist system of our country is the superior socialist system that fully guarantees political, material, and cultural life in conformity with the independent demands of the popular masses. It is also the system of vitality, which enables the popular masses to enhance their creative capability to the maximum.

By struggling and defining the chuche idea as their guiding principle, our people have been able to advance our unprecedented, arduous, and complicated revolution along the single road of victory and to establish on this land the superior socialist system which the people of the world envy. The proud course of our revolution, which has been embroidered with brilliant victories, and the superiority of the socialist system of our country, under which the popular masses' independence is brilliantly flowering, have led our people to more firmly believe the greatness and truthfulness of the chuche idea and its invincible vitality. They also have led our people to more firmly cherish in their hearts the faith that only when they advance, while embodying the chuche idea, can they brilliantly build a communist paradise where independence has been completely realized.

Indeed, the chuche idea is the great ideology which gives our people firm prospects and faith in carving out their destinies and faith in the victory of socialism. It is the great honor and pride of our people to have the complete guiding ideology for realizing independence, the immortal chuche idea. Thanks to this great ideology, our people can have firm revolutionary faith and consummate the chuche-oriented revolutionary cause to the end under the leadership of the party and the leader.

Anniversary of Reunification Association Marked

SK0505111290 Pyongyang KCNA in English 1034 GMT 5 May 90

[Text] Pyongyang May 5 (KCNA)—Papers here today observe the 54th anniversary of the founding of the Association for the Restoration of the Fatherland (ARF).

The ARF founded by the great leader Comrade Kim Il-song during the anti-Japanese revolutionary struggle was the first permanent organisation of the anti-Japanese national united front in our country, which had an independent organisational guiding system on the principle of democratic centralism with its unique programme and rules.

Comrade Kim Il-song was elected chairman of the ARF at the meeting of the military and political cadres of the Korean People's Revolutionary Army held in Donggang, Fusong County, in May 1936 and the foundation of the ARF (May 5) was declared to the whole world. "The inaugural declaration of the Association for the Restoration of the Fatherland" was published at the meeting.

The ten-point programme of the ARF worked out by him comprehensively defined the tasks of politics, economy, military, culture and external relations which should be fulfilled at the stage of the anti-imperialist, anti-feudal democratic revolution by applying the chuche idea. And the rules consisting of the main chapters and 14 paragraphs and supplementary 3 paragraphs fully defined the mode of activities of the ARF as a whole and its norms of internal life.

The inaugural declaration of the ARF called for powerfully arousing the spirit of national independence of the 20 million Korean people and appealed to all the people who love the country and the nation to firmly unite under the banner of the ten-point programme of the ARF.

After the foundation of the ARF Comrade Kim Il-song vigorously led the work to expand and strengthen its organisation nationwide, with the result that hundreds of thousands of people of all walks of life were enlisted in the organisation and an orderly organisational guiding system was established in a short period.

With the ARF founded, the Korean people powerfully waged the righteous anti-Japanese war, firmly united as one political force, and the Korean revolution as a whole greeted a great upswing, NODONG SINMUN notes, and stresses:

Today the immortal feats performed by the Association for the Restoration of the Fatherland in the history of the anti-Japanese national liberation struggle of our country in the period of the anti-Japanese revolutionary struggle powerfully inspire the entire fellow countrymen on the road of great national unity for the independent and peaceful reunification of the country.

Efforts Made To Increase Freight Haulage

SK0405102690 Pyongyang KCNA in English 1012 GMT 4 May 90

[Text] Pyongyang May 4 (KCNA)—The transport workers under the Ministry of Railways of Korea have increased the daily haulage of freight by 20,000 tons above the same time last month in the heat of a drive for increased transport.

The transport workers under the General Bureau of Northern Railways are carrying 10,000 more tons of freight by dynamically pushing ahead with the "drive for extra-haulage on schedule without accident to implement the decision of the 18th Plenary Meeting of the Fifth Central Committee of the Workers' Party of Korea."

Those under the general bureau of eastern railways have carried 7,000 more tons of freight a day than the corresponding period of last month.

The transport workers under the General Bureau of Western Railways and the Kaechon General Bureau of Railways are transporting in time coal, farming materials, cement and other freight for various domains of the national economy by properly organising transportation and raising the proportion of centralised transport.

Sowing of Amaranth, Pumpkin, Gourds Under Way

SK0505103690 Pyongyang KCNA in English 1028 GMT 5 May 90

[Text] Pyongyang May 5 (KCNA)—A mass drive of sowing non-cereal feed crops is under way in rural communities of Korea.

According to data available at the Agricultural Commission, amaranth has been sown in more than 13,000 hectares and pumpkin and wax gourd had been sown on large tracts of seedling beds as of April 30.

Rural villages in South Hwanghae Province this year plan to plant amaranth in more than 9,000 hectares and 70 million plants of pumpkin and wax gourd and are pushing ahead with this work successfully.

Sowing of pumpkin and wax gourd seeds has almost been finished in Kaesong and Nampo.

Korea with limited cultivated areas encourages the sowing of amaranth, pumpkun and wax gourd in vast tracts of untilled land to feed domestic animals.

South Korea

Reporter Identifies DPRK Nuclear Scientists

SK0805083990 Seoul CHUGAN CHOSON in Korean 13 May 90 p 28-32

[Article by CHUGAN CHOSON reporter U Chong-chang, in the feature column "News Radar": "Leading

Role in North Korea's Atomic Bomb Development Was Played by Kyongsong University Graduates Who Defected to the North"]

[Text] **Atomic Bomb North Korea Is Expected To Produce Has Twice Yield of the One That Was Dropped on Nagasaki**

For the first time since the news of North Korea developing atomic bombs became an object of uncommonly keen attention at home and abroad, the identification of the leading scientists involved in the development of atomic bombs in North Korea has been made public. These scientists reportedly are scholars who studied in Japan when Korea was under the rule of the Japanese imperialists. Following the 15 August national liberation, they returned to Korea and taught at Kyongsong University [former name of Seoul National University] as professors in the Science and Engineering Department before defecting to the North before, during, and after the Korean conflict, known as 25 June. They reportedly began to play a leading role in the development of atomic bombs in 1967. These scientists who defected to the North are known as the first generation of nuclear bomb developers. They are identified as Yi Sung-ki, Yo Kyong-ku, To Sang-nok, and Chong Kun. Mr Yi Sung-ki served at Kyongsong University as dean of the Science and Engineering Department.

This fact is substantiated by a series of Soviet-published treatises by North Korean atomic-related circles, articles carried in NODONG SINMUN, photographs taken by U.S. reconnaissance satellites and intelligence-gathering spy planes, U.S. Defense Intelligence Agency reports, and Korean scholars. According to this information, thanks to the study results of the scientists who defected to the North over the past 23 years, North Korea is expected to have atomic bombs with a yield twice as high as the one dropped on Nagasaki, Japan during World War II, some time this year at the earliest and before 1992 at the latest.

The information on the development of the atomic bomb which North Korea was undertaking clandestinely and the identification of the scientists involved in the projects became known to Western intelligence institutions around 1971. At the time, the United States was conducting an intensive check of the area around Yongbyon, North Korea, with the help of a U-2 reconnaissance aircraft. For some time, Yongbyon had been an area to keep an eye on.

Yongbyon was the site where North Korea had installed the IRT 2000 [as published], a research nuclear reactor imported from the Soviet Union. After signing the "DPRK-USSR joint nuclear agreement" on 26 March 1956, North Korea signed a "DPRK-USSR atomic agreement" on 7 September the same year. Based on these agreements, North Korea began building the Yongbyon complex in early 1962. The Yongbyon atomic research center was completed in June 1965 and was put into operation shortly thereafter.

In 1971, with the help of U-2's flying over North Korea, the United States searched the Yongbyon complex to determine what kind of facilities North Korea had built there. The U-2 is a high-altitude, high-speed reconnaissance plane that can photograph even the shadow of a tree from an altitude of 22,000 m. Its equipment is such that it can determine when the photograph of a tree was taken by measuring the length of the tree's shadow.

A comparison of aerial photographs taken by U-2's for 3 years since 1971 has revealed that North Korea has built a number of research facilities, including a radioactivity chamber, boiler chemical chamber, boiler chamber, and general analysis chamber, as well as a large-scale apartment complex to house the research staff. It has also been revealed that North Korea has built inside the complex large-scale underground facilities hard to detect clearly by photographs alone. Photographs taken by the U-2's were brought to our academic circles through the Korean intelligence agencies.

The U.S. Administration sent U.S. Defense Department officials to Korea on 20 September last year to brief Korean officials on North Korea's atomic bomb development. On this occasion, the U.S. officials told their Korean counterparts that they had confirmed the fact that North Korea was building a nuclear reprocessing plant and showed them information gathered by U.S. intelligence institutions. In early October last year, satellite photographs of Yongbyon taken in 1986 by a French commercial satellite called Spot was made public. As a result of these photographs, an outline of the nuclear facilities built anew in the area across the Kuryong River began to emerge.

It is confirmed by satellite photographs and intelligence reports from various channels in the West that North Korea now possesses three essential facilities for the development of nuclear bombs. These are: an experimental and military research reactor which produces protium, a reprocessing plant which separates protium 239 (Pu239)—raw material of nuclear bombs—from nuclear fuel which comes out from the research reactor, and an experimental station designed for testing implosion.

In fact, it was learned that our government also has for a long time collected intelligence about facilities in the Yongbyon area.

According to a scholar who participated in the development of nuclear bombs during the era of President Pak Chong-hui, North Korea in 1965 abruptly began to tightly control the people's admission to the Yongbyon area. Designating this area as a special zone directly under the control of the State Administration Council, North Korea named the area "Pungang District" and ordered those who enter this district to carry a special passport issued by the Ministry of Public Security.

The area where the nuclear facilities were located is Yaksan of Yongbyon which was eulogized by Kim Sowol [renowned late Korean poet] in his poem entitled

"The Azalea." This area, located 3 to 5 km southwest of Yongbyon city, is a basin surrounded by the Kuryong River, a branch stream of the Chongchon River, and formerly a recreation area. North Korea built a dam, waterway, an artificial lake, water tanks, and other water-cooling devices required for nuclear facilities.

Yo Kyong-ku, Yo Un-yong's Nephew, Distinguished Himself in Rocket Fuel Field

In 1967 when the Yongbyon complex began normal operations, North Korea began to post the scientists who went to the North from the South in this complex as responsible persons or senior researchers. This very fact made our side and scholars begin to doubt whether the Yongbyon area was designed for the development of nuclear bombs. In particular, the figures to whom we paid special attention were Yo Kyong-ku, Yi Sung-ki, To Sang-nok, and Chong Kun. While mentioning their careers from time to time, North Korea has never made public their activities related to the Yongbyon complex. However, through some materials including reports of the U.S. Defense Intelligence Agency, their research activities related to the development of nuclear bombs were exposed to the outside.

Yo Kyong-ku, one of the identified scientists, is a scientist who distinguished himself in the rocket fuel domain in Japan during World War II. A scholar in the nation who knows Mr Yo very well commented on his ability as follows.

"During World War II, Japan frantically ran around trying to produce its own V2 rocket, which was developed by Germany to attack the U.S. mainland. After obtaining the specifications from Germany, Japan transported them home by submarine. However, this submarine collided with a mine in the sea near Singapore and was blown up. As a result, the effort to obtain the specifications came to naught, and Japan accelerated its independent development of rockets. Mr Yo participated in this project as a chemist and rendered distinguished service in the research to use alcohol as a propellant. It appears that North Korea's sending him to the Yongbyon complex is related to his work at that time."

Mr Yo was born in Kyonggi Province in 1912 and went to Japan where he was graduated from the Department of Chemistry at Waseda University. He is the nephew of Yo Un-hyong. He taught at Kyongsong University for some time after the national liberation and went to the North in the spring of 1946. His name was listed in the biographical dictionary for North Korean figures, which was published in 1983.

Yi Sung-ki, Who Majored in Textile Engineering in Kyodo University in Japan, Was Awarded Kim Il-song Medal for Merit in Developing Atomic Bombs

According to data, he became an academy doctor [wonsa] of North Korea's Academy of Sciences in October 1952. Unlike ours, North Korea's Academy of Sciences is a more superior research organization than that of a university, and its director holds a position equivalent to vice premier. The system of North Korea's academic degrees is: bachelor (equivalent to our masters); doctor (same as our doctor), and academy doctor. The academy doctor is the degree holder with the highest authority. There are only 1,516 academy doctors. We can assume that he rose to such a high position, despite his being a scientist from the South, because North Korea acknowledged his ability.

Mr Yo was nominated as a Standing Committee member of the Academy of Sciences in 1956, as director of the Academy's Chemical Research Institute in 1957, and as professor of the Academy of Sciences in April 1961. He became a member of the Committee for the Peaceful Reunification of the Fatherland in May of the same year and a deputy to the third Supreme People's Assembly [SPA] and director of Hamhung Branch of the Academy in October 1962. However, what he did and has been doing since then has not been revealed. Our side's scientists observe that his position has not been revealed because he has been given assignments which cannot be made public.

Yi Sung-ki, whose name was revealed together with Yo, is a chemist of world fame who developed vinalon, the first synthetic fiber in Japan. He majored in textile engineering in Kyodo University in Japan at first and in chemistry later. With his major in the chemical domain, he is known to have authoritative knowledge in the nuclear reprocessing sector. According to a NODONG SINMUN report, he recently was awarded the Kim Il-song Medal, North Korea's highest honor. Scholars at home and abroad observe that this citation was North Korea's recognition of his meritorious service in nuclear development. Mr Yi became director of the Yongbyon nuclear research institute in 1967. Thus, he took the lead in research of nuclear bombs.

In a book published in Japan in 1969 entitled "A Note of a Certain Korean Scientist," he wrote about his life in the form of a memorandum. This book describes in detail the course of his growth, his activities as a scientist, his motives for coming to the North, and his activities after he came to the North. This book is kept at the National Assembly Library and in a few other relevant organizations [in South Korea]. However, it is classified as a banned book.

"Defection to North Prompted by U.S. Army's Occupation After Nation's Liberation and Pro-Japanese Faction's Gaining Power"

According to this book, he was born as a son of chambong [low-level government official during Yi Dynasty] in Tamyang, South Cholla Province, in 1905. In his childhood, he came to Seoul to stay with his aunt and attended the Chungang Senior High School. He then went to Japan and was graduated from Matsuyama High School. In 1931, he was graduated from Kyodo University, majoring in chemistry. Being a Korean, it was difficult for him to get a job after graduation. However, at the introduction of a mentor professor who recognized his talent, he got a job at a corporation in Osaka.

His treatise on industrial chemistry, presented to an annual symposium held in Osaka in 1932, was praised by academic circles. Following this, he began the "research of electric penetration of fibroid conductor solvents" and won a prize for this project. His professor, struck with admiration for this theory, helped him become a researcher in the Tokyo Industrial Laboratory. Thus, he could devote himself strictly to research. Under the stimulus of nylon developed by the United States, he devoted himself to research of synthetic fibers and succeeded in inventing vinalon in October 1939. For this, he obtained a doctorate. After serving as professor in Kyodo University, his alma mater, he returned to Korea in November 1945 and became professor of chemistry in the Science and Engineering College of Kyonsong University.

While teaching at Kyongsong University, the students of Kyodo University in Japan sent several hundred letters to him, not forgetting his teachings, and he was a topic of conversation among the other professors. He was elected the dean of the Engineering College. With his ideology at issue, he was once imprisoned in Japan. Although Yo Kyong-ku, his fellow professor, pressed him to go to the North, he refused to go at first, saying that he did not know the true situation in the North. This was revealed in his memorandum.

Since the nation was falling into disorder due to demonstrations against the plan for national universities and to the incidence of rebellion in Yosu and Sunchon, he resigned the deanship and went to his hometown. He then went to the North in June 1950. In October 1952, he became director of the chemical research institute of North Korea's Academy of Sciences and in 1956 he was nominated as an academy doctor in the Academy of Sciences and a member of the Academy's Standing Committee. For his "research of vinalon fabrics and its industrialization," he was decorated with the first People's Prize in September 1959. He took the initiative in building the vinalon plant in 1961. It has been said that the scale of the vinalon plant he built in North Korea was larger than that of the U.S. Dupont Chemical Company, taken as a single plant. For this plant, he was given the title of labor hero.

He has carried out activities overseas on many occasions. He has visited the Ukraine, Hungary, East Germany, China, and the Soviet Union. As a North Korean representative, he attended an East Asian congress of the World Scientists League held in 1963 in Beijing. He was deputy to the Third, Fourth, Fifth, and Seventh SPA. He is also honorary member of the Soviet Academy of Sciences.

In his memoir, he explained why he defected to North Korea, saying, "I was disillusioned that the U.S. troops occupied the liberated fatherland and that pro-Japanese people became influential." He also said, "I was moved to know that scientists were given special favors in North Korea." He also wrote in his memoir that he met Kim Il-song at a meeting of scientists that the North Korean authorities convened to discuss rehabilitation from the Korean war.

2,100 Researchers Stay in Yongbyon Nuclear Development Complex

In connection with North Korea's development of atomic bombs, our scientists pay the greatest attention to Mr Chong Kun. None of his activities has been disclosed to the outside, and his name is missing even in a North Korean directory published in Japan.

He was graduated from the Physics Department of Kyongsong University in 1943. He was the only Korean student to attend the Physics Department at that time. Therefore, he has no classmate in our country. He is said to be 65 or 66 years old. He is also said to have defected to North Korea in 1946 when he was professor at Kyongsong University. He had been professor at this university since the liberation. He studied at Moscow University in the Soviet Union during the Korean war.

He has released six or seven theses in East European physics circles. All of these theses deal with atomic reactors, the essential part of atomic power stations. Therefore, he is believed to be a leading expert on the production of resources for atomic bombs. This is why our scientists think he is a central figure in North Korea's development of atomic bombs.

Mr To Sang-nok, who is referred to along with Yo Kyong-ku, Yi Sung-ki, and Chong Kun, is a physicist. He was graduated from the Science Faculty of Kyodo University, Japan, in 1929. His major was quantum physics. After receiving a master's degree from this university, he served as professor in Xinjinggong College in Manchuria. When the country was liberated, he returned home and became professor in the Physics Department of Kyongsong University.

When professors of Kyongsong University defected on a large scale to North Korea in June 1946, he joined them. Some professors who worked with him at that time said that he defected to North Korea in protest of the U.S. military government office's actions. They said that Mr To was director of the Science Faculty in Kyongsong University at that time and that the U.S. military government office tried to replace him with a scholar who had studied in the United States. They also said that the U.S. military government office had a tendency to prefer scholars who had studied in the United States to those who had studied in Japan. They also said that after a big conflict, Mr To chose to defect to North Korea.

After his defection, he became professor of Kim Il-song University in 1948 and director of the Physics Faculty of Kim Il-song and member of the Academy of Sciences in 1952. A North Korean directory notes that he received a Kim Il-song medal, as did Mr Yi Sung-ki. It has been learned that he is working at the Atomic Energy Committee under the North Korean Administration Council.

Western intelligence organizations speculate that 1,800 technicians, 300 scientists, and 40 atomic bomb experts, including these four people—a total of 2,100—are in North Korea's Yongbyon complex where nuclear facilities are located.

It has been learned that in Wyoming last September, U.S. Secretary of State Baker and Soviet Minister of Foreign Affairs Shevardnadze extensively discussed threats concerning North Korea's nuclear armament and that during his February visit to Moscow, Baker expressed deep concern over this issue to the Soviet minister of foreign affairs.

Final Part of Reporter's DPRK Travelogue

SK0705001890 Seoul HANGUK ILBO in Korean 3 May 90 p 5

[Final installment of travelogue by U.S.-based correspondent Min Pyong-yong; for first two installments, see the 3 and 4 May East Asia DAILY REPORTS, respectively]

[Text] The range of exchange between the one-million-strong Korean community in the Americas and North Korea is being expanded little by little. There were only a handful of overseas Koreans who visited the DPRK in the seventies to meet with their dispersed families. However, during the late eighties, due to the 7 July declaration by the Korean Government, the number of overseas Koreans who visited Pyongyang continued to increase.

For the first time, in late 1988 North Korea allowed Koreans living in the Americas to visit North Korea as tourists. Since then, Koreans living in the Americas were invited on a large-scale to the 13th World Festival of Youth and Students, the April Spring Friendship Art Festival, and the Yun I-sang music concert.

The North Korean Support Committee for Overseas Koreans (chairman: Ho Chong-suk), which was established 10 years ago to find the dispersed families living in the Soviet Union and China, has quietly promoted the work of confirming the existence of the dispersed families and of inviting the overseas Koreans to North Korea through the Dispersed Families' Committee (chairman: Hong Yong-kun) in Los Angeles.

They plan to establish this committee in New York also.

The number of dispersed families from the Americas region that visit North Korea annually amounts to 250-500 people. The number is increasing gradually.

It is expected that more people from the Americas will visit North Korea for the purpose of purchasing goods, for carrying out joint venture projects, and for tourism and missionary work.

One can easily guess that North Korea is putting much emphasis on the Koreans living in the Americas. North Korea is hoping to some day use the Korean community in the Americas as a lever to carry out the work for North-South Korea reunification. It is also making plans to carry out economic exchanges such as joint ventures with Koreans living in the Americas and of carrying out the full-scale work to make Mt. Kumgang a tourist attraction..

Also with the Korean community in the Americas as a stepping-stone, North Korea believes it can improve diplomatic relations with the United States and also bring in advanced science and technology.

During the April Spring Friendship Art Festival, North Korea invited some 30 Koreans living in the Americas. This has great significance on the part of North Korea.

From 7 to 18 April, the Eighth April Spring Friendship Art Festival was held in Pyongyang to celebrate Kim Il-song's 78th birthday. It was hosted by the Ministry of Culture and Art (minister: Chang Chol). Eight hundred people from 60 different countries and 100 organizations participated in the festival and held various contests.

A congratulatory delegation led by Dr. Sonu Hak-won and two art troupes from the Americas participated in the congratulatory events. Yi U-kun, Yang Kyong-cha, Cha Sung-hui, Kim Tong-sok, Reverend Pak Chol-chu, and other people from the congratulatory delegation and 10 members of the two art troupes participated in the festival.

Of course art troupes and delegations from Sakhalin, Tashkent, and Kazakhstan in the Soviet Union participated in the festival. Also, artists, the Supporters' Association of the Mt. Kumgang Opera Company, the congratulatory delegation, and Korean industrialists living in Japan, which is centered around the General Association of Korean Residents in Japan (Chochongnyon), came to North Korea on a large scale.

These troupes gave the first round of performances from 7-14 April. Those troupes selected as outstanding from the first round of performances held encores, beginning on 16 April. On that same day, special art performances were given at the newly built Pyongyang acrobatic theater in Kwangbok street in Pyongyang with Kim Il-song attending. The first part of the performances included acts and magic shows by the circus troupes from Mongolia, the Soviet Union, Finland, China, Czechoslovakia, and Cuba. The second part of the performances included special performances of Korean songs and dances by the art troupes of overseas Koreans from the United States, the Soviet Union, and Japan. The special performances won enthusiastic applause from the audience. In particular, after the performances Kim Il-song posed for a photograph with members of the art troupes.

That morning a North Korean guide asked our team members to participate in ceremonial functions that evening wearing their best and most beautiful clothes. He also asked them to stay in the hotel until 1730 taking a rest. So, we left the hotel for the Pyongyang acrobatic theater at 1740. We saw policemen controlling people's access to the entrance of the theater. After entering the parking lot, we were asked to leave all personal effects in the bus. We went into the theater. Here, we waited for about 10 minutes, and then we were allowed to enter the auditorium one by one.

The 2,500-seat auditorium was already filled with members of the party Central Committee; people from the party and government organs, economic organs, and public organizations; soldiers of the Korean People's Army; and students.

At 1830, welcome music suddenly began. About 7 minutes later Kim Il-song entered the special rostrum amid waving hands and cheers. He made a gesture toward the audience with his right hand to stop cheers and to sit down.

Soon after that, the performances began with the opening declaration by a female announcer. Those high-ranking officials who saw the performances together with Kim Il-song were O Chin-u, Yon Hyong-muk, Yi Chong-ok, Kim Yong-nam, Choe Kwang, Kim Pok-sin, and Hwang Chang-yop.

After the first part of the performances, in which foreigner's acrobatic shows were given, ended, the second part of the performances started. The second part included performances by the art troupes of overseas Koreans. The Korean classical dancing troupe from the United States gave Korean classical dancing performances. Singer Yang Kyong-cha sang "My Hometown," and singer Yi U-kun sang the song "One Fatherland." Their songs won stormy cheers.

Of course, Kim Il-song also cheered the singers. After the 2-hour-long performances ended, Kim Il-song posed together with members of the art troupe for a picture.

At 2125, Kim Il-song, wearing a black suit and a smile, took the stage and shook hands with members of the Korean art troupe from the United States and heads of other foreign art troupes, praising their performances.

Kim Il-song looked relatively healthy, and we saw grey hairs and small spots on his face. After posing together with members of the Korean art troupe from Japan for 15 minutes, he left the stage. Before this, Yi Tong-hui, a Korean vocalist in the United States, presented a bunch of flowers to Kim Il-song in the theater lounge.

Meanwhile, the Yun I-sang Music Research Institute informed us that it held the ninth music concert with Korean vocalists in the United States in April and that it has decided to hold a music recital for reunification by inviting vocalists from foreign countries, including the United States.

Applications To Visit North on Increase

SK0905031290 Seoul YONHAP in English 0243 GMT 9 May 90

[Text] Seoul, May 9 (OANA-YONHAP)—The National Unification Board approved three applications to visit North Korea and 46 to contact North Koreans during the first four months of the year, the Board said Tuesday. Compared with last year, applications have soared due to the government's positive policies for exchanges between the two Koreas, a Board official said.

After guidelines on inter-Korean exchanges and cooperation were announced June 12 of last year, the government approved 22 applications last year, he said.

"Until early this year, most applications to contact North Koreans were for scientific or religious exchanges, but the number of people wanting to visit the North has greatly increased since Han Pil-song had a tearful reunion with his sister after 40 years separation in Japan on March 8," he said.

Of late, many people have approached the Board in the manner of Kim Hyon-yong and Chang Non-pok, who received invitations from the North through the relatives living in the United States and won government permission in late April, he added.

"As many people as possible will be given government permission to visit the North or contact their North Korean relatives on a humanitarian basis," he said.

Foreign Minister Choe Meets With U.S. Official

SK0905065690 Seoul YONHAP in English 0516 GMT 9 May 90

[Text] Seoul, May 9 (YONHAP)—South Korean Foreign Minister Choe Ho-chung met Wednesday with Richard Solomon, U.S. assistant secretary of state for Asian and Pacific affairs, and the two pledged joint efforts to ease tension on the Korean peninsula.

During the meeting, Choe requested that the United States deliver to the Soviet Union Seoul's hope for opening up North Korea, early admittance to the United Nations and improvement of Seoul-Moscow relations at the U.S.-Soviet summit scheduled for May 30-June 3.

Choe also explained Seoul's reasons for the cancellation of President No Tae-u's visit to the United States, which had been slated for later this month, a ministry official said.

Solomon said Washington would make efforts to create an atmosphere for improved Seoul-Moscow relations and direct dialogue between the two Koreas.

He also reaffirmed that the United States will not seek to improve relations with North Korea regardless of developments in Seoul-Moscow ties unless Pyongyang stops supporting terrorist acts and signs the nuclear safeguards agreement of the International Atomic Energy Agency.

Choe and Solomon shared the view that North Korea's opening to the outside world would contribute to alleviating tension on the Korean peninsula, creating an environment for reunification of the peninsula and ensuring peace and stability in Northeast Asia, but they also agreed that North Korea has shown little change in its position toward South Korea.

Solomon flew into Seoul on Tuesday for a three-day visit and leaves Friday to continue an Asian tour that will take him to Thailand, Laos, Singapore, Malaysia and Indonesia.

Contract To Import Soviet Uranium Signed

SK0905064290 Seoul YONHAP in English 0504 GMT 9 May 90

[Text] Seoul, May 9 (OANA-YONHAP)—The Korea Electric Power Corp. (KEPCO) has concluded a long-term contract with Techsnoabexport of the Soviet Union to purchase 390 tons of enriched uranium over the next 10 years, Energy and Resources Minister Yi Hui-il said Wednesday.

The Soviet concentrate is a finished product containing 3.5 percent uranium 235 and costing about 590 dollars per kilogram, or 55 percent of the average price the state-run KEPCO paid last year. The import price is fixed until 1993 and will be linked to changes in the GNP deflator in the United States within a limit of 5 percent.

Under the contract, which was approved by the Energy Ministry, 40 tons of uranium will enter Korea this year, 30 tons each in 1991 and 1992, 40 tons annually between 1993 and 1998 and 50 tons in 1999, Yi told reporters. The first shipment will arrive by air this year.

Unlike previous import contracts, which were unilaterally advantageous to the sellers, this contract is "reasonable," KEPCO officials said.

Korea can decide in 1994 whether to renew the contract and can either increase or decrease import volume up to 20 percent annually. If international prices change sharply, the import price can be readjusted, and there is no penalty charge if Korea cancels the contract. In addition, under the contract the Soviet Union must buy Korean products worth 30 percent of the price of the uranium. This year, the Soviet Union will purchase 7 million dollars worth of electronics products.

Importing Soviet uranium concentrate is designed to diversify import sources of nuclear fuel and to secure a stable supply at better prices, according to KEPCO officials. Part of the Soviet uranium will be stockpiled while part will be used to meet new demand. Korea has never purchased nuclear fuel from a communist country before.

Currently, KEPCO buys refined uranium from Australia, Canada and France, ships it to the United States and France for reconversion and enrichment processing, and imports the semi-processed product for final fabrication here before fueling its nine atomic power stations. The import price averages 1,073 dollars per kilogram.

Korea is locked into a 30-year contract for uranium enrichment with the United States until the year 2014, and a similar contract with France is good until 1996.

Annual consumption of enriched uranium for atomic power plants is about 200 tons: of which 70 percent is from the United States and 30 percent from France.

KEPCO expects the purchase of Soviet uranium to contribute to the improvement of existing long-term contracts with the United States and France.

There is no diplomatic or technical problem in importing Soviet nuclear fuel as the two countries have signed the Nonproliferation Treaty and safeguard assurance of the International Atomic Energy Agency, ensuring safety in international movement of nuclear materials.

Handing Over Russian Legation to USSR Denied

SK0705071590 Seoul YONHAP in English 0703 GMT 7 May 90

[Text] Seoul, May 7 (YONHAP)—The former Russian legation in downtown Seoul will not be handed over to the Soviet Union, South Korean Government officials said Monday. The officials said the matter was likely to come up during a meeting in Moscow on diplomatic ties between the two countries next month.

"Since our nations agreed to establish consulate departments last December, the government has studied this matter thoroughly. It was concluded that the Soviet right to the Russian legation has been nullified by negative prescription," a high-ranking official said.

The Soviet Union has not yet raised question of its right to the legation in Chong-tong, Central Seoul, and its 19,800 square meters of land, but is expected to raise the issue during the Moscow talks, he said. He said the legation and its estate reverted to Seoul city in 1970, after the government heard no claim to the historical site.

If the Soviets seek to claim historic site no. 253 under international law, the government will tackle the issue after diplomatic ties are established, he said.

Moscow may claim the legation on the ground that it is the legitimate successor to the pre-revolutionary government, he added.

Prospects for No Tae-u's Japan Trip Analyzed

SK0805093690 Seoul YONHAP in English 0858 GMT 8 May 90

[News analysis by Kim Hung-suk: "No Puts His Career on the Line With Trip to Tokyo"]

[Text] Seoul, May 8 (YONHAP)—President No Tae-u made a curt announcement Tuesday [8 May] in an attempt to cap talk about his Tokyo trip, which analysts say may cost him his political career. The visit will last only two nights and three days, beginning May 24, but its long prelude is still being played out by the many Koreans who are unhappy with Japan's treatment of resident Koreans. And there is no doubt it will be followed by a torrent of opinion pieces in the press.

No seems to be well aware of the gravity of his visit as president of Japan's former colony, which is in the grip of lingering resentment.

Presidential Spokesman Yi Su-chung said No would meet separately with Emperor Akihito and Prime Minister Toshiki Kaifu, obviously to give the impression that the visit has a concrete aim and is not a simple diplomatic leg-stretching exercise.

An official at Chongwadae, the presidential mansion, even went so far as to predict that Akihito would apologize for the atrocities committed during Japanese rule of Korea in stronger terms than his father did to No's predecessor, former President Chon Tu-hwan, in Tokyo in 1984. Undiplomatic though it sounded, the prediction betrays the strong wishful thinking of presidential aides.

Both the Korean and Japanese Governments have tried to rinse away the dregs of ill feeling prevailing among their peoples from the turn of the century, but have witnessed the reverse. While few young Japanese have inherited a deep prejudice against Koreans, most young Koreans are far tougher than their parents in their attitudes toward Japan due to the influence of nationalism.

The promotion of democracy in Korea has also contributed to raising anti-Japanese voices, which used to be smothered as anti-government. As a result, the Korea-Japan normalization treaty recently came under attack—from people who sympathize with Koreans in Japan—for the first time since it was signed in 1965. Under these circumstances, the Japanese Government promised a few revisions to the treatment of Koreans in a foreign ministers' meeting on April 30.

If Japan acts on the promise, third-generation Koreans will be exempted from fingerprinting and their alien registration cards will be replaced with another means of identification. The ground for deportation will be raised from a seven-year prison term to 10 years or longer imprisonment for state offenses.

It is clear, however, that these revisions are insufficient to appease Koreans, who have charged the government with repeating its mistake in signing the normalization treaty and demanded the president's trip to Tokyo be canceled instantly.

If the Japanese Government reads the moves correctly, it will realize what it should offer No during his brief visit to Tokyo, government officials say.

Apart from the scars of history, the officials say, the two governments share many needs due to their geographical proximity and leading roles in the Northeast Asian region. Both are particularly keen on expanding economic cooperation as flag bearers of the Asia-Pacific era in the 21st century.

Amid the trend toward economic blocs, they hope to be the prime movers in building a solid Asia-Pacific economic community. A new dimension of cooperation will be needed for this as the current picture of regional security will be altered with the reduction of U.S. troops and the wind of perestroyka blowing from the Soviet Union.

To open a "new era" in Korea-Japan history as the times and circumstances call for, Japan must heal the scars she inflicted upon her neighbors earlier this century, the officials say. No's attempt to wrest an apology from Japan should not result in unreasonable concessions that could be a source of conflict in the future, they say.

Article Views Present Economic Problems

SK0805013390 Seoul THE KOREA TIMES in English 8 May 90 p 8

[From the "News in Review" column by Assistant Economic Editor Pak Chang-sok: "Economic Troubles Arising From Administration's Trial and Error Policies"]

[Text] Is this country now in a touch-and-go situation? No one can say for sure. But, for the past week at least, many people have been thinking that the whole infrastructure is collapsing. Of course, this stems entirely from the government's publicly-declared recognition of a "critical situation."

Last week panic rocked the nation, many fearing that economic ruin might arise with the crash of the local bourse.

All have been urging that steps be taken to avoid further socio-economic trouble. The administration, which has long turned a deaf ear to people's complaints about the faltering economy and to the subsequent social unrest, appeared afraid for a change. It is unusual and noteworthy, given the way No Tae-u administration has handled state affairs to date.

During the past week, the government took several unexpected actions with regard to economic issues. For example, Finance Minister Chong Yong-ui hastily returned home from New Delhi, cutting his trip short. He spent only two days there attending the 23rd annual meeting of the Asian Development Bank (ADB), slated for May 1-5.

President No ordered Minister Chong's return together with a set of directives on boosting the market and preventing speculation.

The details of the presidential instructions were as follows:

—Securities, insurance, and short-term finance firms will be asked to sell off undeveloped lands they hold for non-business purpose and invest the proceeds in stock.

—The authorities concerned will be asked to strengthen their standards of classification of business and non-business purpose land in the possession of business conglomerates.

No's directives lacked freshness; they have been talked about by policy planners for a long time. In this view, Minister Chong's early return cannot be deemed natural. His return no doubt tarnished Korea's international image. It certainly is enough to make the foreign delegates believe that something serious has been occurring in the Korean economy. It is rare for a Cabinet minister to be recalled by the President for economic issues in peacetime.

Another startling event was the late-night meeting of economic ministers directly after the presidential instruction lasting into the middle of the night. Its results nonetheless, as expressed in an official statement by the Economic Planning Board (EPB), contained no fresh initiatives. In reality, the economic technocrats endorsed the presidential order with no modifications.

Another laughable development occurred the following day when top-ranking officials of the administration and the government party met. They described the situation facing the country as an "utter crisis." This is ridiculous. What kind of crisis? How? Why? But the questions remain unanswered. The people are left feeling they are in the vortex of never-ending political and social troubles and economic fiasco.

In particular, the Korean economy has been at a low ebb and the stock market has remained flat through two years of the No administration. This time, people are beginning to wonder whether the politicians really were aware of the critical state of the economy.

It is quite interesting it took them until a few days ago to figure out the true nature of the socio-economic troubles.

A series of remediable actions taken last week came in the wake of the crash of the 700-point barrier in stock market. The immediate cause for a sharp depression of the market was bitter strikes at the country's largest shipyard and at the state-run broadcasting company.

Unionists' confrontations at Hyundai's Ulsan shipyard and the Korea Broadcasting System [KBS], both champions of labor troubles for this year's spring offensive, share several characteristics. One salient feature is that confrontations stemmed fundamentally from non-economic or non-labor issues. To be specific, Hyundai's dispute is over the police arrest of union leaders and KBS's over the government's choice of a new president.

Labor issues will surely be taken up in a series of steps the government will announce today to tide over the current socio-economic plight.

What has to be said at the moment is that the economic quandaries cannot be weathered by the economic technocrats alone. The plight is largely due to an ambivalence in the No administration. The repetition of trial and error arising from a lack of leadership in a whirlpool of social chaos can also be blamed for the economic ruin.

Two years have passed with mere political mudslinging. Two years is enough time to bring a hard-won success to naught. From now on, Korea must not allow a repeat of the trial and error system.

Skepticism is mounting about the No administration's capability to manage the crisis. At this critical juncture, the President needs to fully exercise his authority as stipulated in the Constitution.

Now is a time for action and not words. In this view, No's statement yesterday and the postponement of his trip to the U.S., Canada, and Mexico are worthy of praise.

Plan To Cure Real Estate Problems Assailed

SK0805083690 Seoul YONHAP in English 0751 GMT 8 May 90

[Report by Pak Chung-chan]

[Text] Seoul, May 8 (YONHAP)—A new prescription was announced Tuesday [8 May] by South Korea's economic medicine men, who hope to cure the nation's unbridled real estate speculation and President No Tae-u's falling popularity in one dose.

As Deputy Prime Minister Yi Sung-yun said in announcing the nostrum, the aim is to assert the government's determination to take the tiger by the tail in the battle against skyrocketing real estate prices. The tigers are Korea's influential conglomerates, which will be blocked from buying up scarce land in this densely populated country.

This is a bold move as Korea's tycoons apparently had the political muscle to get Yi's predecessor as deputy premier, Cho Sun, removed from the cabinet in a March 17 reshuffle after he angered them by pushing for land reforms.

At the core of Tuesday's measures are mandatory disposal of nonbusiness purpose real estate by large businesses within six months, the forced selling of excessive real estate owned by financial institutions and a ban on new real estate purchases. There is also a ban on loans for businesses that fail to comply with the strong government directives, putting a stranglehold on entrepreneurs.

These steps were taken with expectation that the real estate market could be cooled down by shackling the "big hands," forcing the blocked capital back into the crumbling stock market, and that inflation, led by increases in land prices, could be held down. But above all, the effect if the measures are successful would be to restore confidence in the government, which is at its lowest level of popularity since No took office more than two years ago.

No pledged in a special address to the nation on Monday to commit himself to the fight against real estate speculation and himself directed the work on the package of measures and met with businessmen to explain the necessity of the coercive steps.

The measures announced Tuesday are a stark contrast with those announced April 13 with the same purpose—business groups, which have been denounced for making profits from investment in real estate instead of production, were hardly mentioned at that time. It is also notable that the measures are concrete—setting a deadline for the 49 largest businesses to unload their property, for example.

Strong measures were inevitable as the new economic team headed by Yi fell on its face with its disastrous first attempt to control land speculation. Yi, a harsh critic of professor-turned-administrator Cho, has vowed to boost the economy and rein in real estate speculation at the same time. He wasted no time in trashing plans to enforce the use of real names in all financial transactions, which he said was the cause of the stock market's vertiginous descent.

The stock market betrayed him by going into freefall and it seemed the entire nation had fallen prey to land speculators. Opposition leader Kim Tae-chung pounced, calling the falling stock index a barometer of the ruling party's popularity, which by the party's own estimation had plunged to 12 percent.

Whether the medicine administered Tuesday will cure the ills of the economy rests with the government, which must make consistent efforts until the healing process has been effected. Since the turn of the 1980s, there have been several major government attempts to stop the spread of real estate speculation and each attempt resulted in failure.

Ambitious administrators setting out to paint a dragon ended up drawing a snake for various reasons, among them the active opposition of Korea's influential business groups.

Experts say the measures announced Tuesday are riddled with loopholes that corporate lawyers will be able to drive a fleet of buses through and that they are paper tigers without the legal backing of regulations and laws, impossible to put it into practice.

To cite just one instance of ambiguity, the state-run Korea Land Development Corp. is to purchase the land subject to divestment at an official appraisal price when no one else is willing or able to buy it. But there is the unanswered question of how prices will be appraised and the matter of who can afford to purchase the huge amounts of land due to come on the market if conglomerates are forbidden to buy it.

No's Statement on Current Situation Derided

SK0805115890 Seoul HANGYORE SINMUN in Korean 8 May 90 p 6

[Editorial: "Concrete Reforms Should Precede 'Stern Legal Action and Coercion'—President's Statement on Current Situation Shows Lack of Awareness of the Crisis"]

[Text] People raise their voices, holding the President and political leaders accountable for the things unfolding before our eyes. Seeing a crisis in the struggle by the employees of the Korea Broadcasting System [KBS] for independence in broadcasting, the nationwide solidarity struggle sparked by the democratic labor movement launched by the trade union at Hyundai Heavy Industries, the stagnant exports, deficits in the international balance of payment, and the stock market crisis, those who, along with the mass media, regard them as an expression of social chaos and feel their vested interests threatened, have been urging the president to take a firm stand on these developments. In a statement televised live across the country, a statement that the prime minister was originally supposed to deliver, President No Tae-u told the people how well aware his government was of the crisis, and what it would do to deal with it.

President No began his statement with an apology to the people, saying: "I, as the president in charge of affairs of state, feel the responsibility for the current situation which, along with political, economic, and social difficulties facing all sectors of our society, has created concern among people." By apologizing to the people and admitting that the governing party disappointed the people in the process of founding a new governing party, President No gave the impression that he was being candid. However, he also revealed that his awareness of the crisis in essence is far different from that of other common people. Terming "illegal" the call of the employees at the KBS for the resignation of KBS President So Ki-won and the strike staged by the labor union at Hyundai Heavy Industries, President No vowed that he would "keep society in order with the stern and resolute application of laws."

It is clearly recognized by conscientious forces at home and abroad that the KBS employees' refusal to take part in program production is a self-preserving step taken to defend the independence of the public broadcasting institution and to keep the regime from assuming its reins. The same is true of the fact that the labor union at Hyundai Heavy Industries went on strike in order to resist those in power who brought illegal action against the labor union leaders, and resist the company management that reneged on its collective agreement. The general public is inclined to consider "illegal" the government's use of police force against the employees of the KBS, a "people's broadcasting institution," and its arrest of hundreds of the institution's employees, imprisoning some of them, and the government's suppression of the striking workers at Hyundai Heavy Industries, which was carried out like a military incursion.

In the statement, President No also revealed his easy-going perception of the economic recession, in particular the skyrocketing prices, the real estate speculation, and the stock market crisis, that pose a serious threat to the people's livelihood, by stating that "it is true that the economic situation has worsened, but it is in no sense in crisis." Then, what do the government and the Democratic Liberal Party [DLP] mean by "out-and-out crisis?"

In our view, the president has failed to alleviate the people's awareness of a crisis because he was unable to put forward persuasive steps to address the following problems:

First of all, the president should have fully admitted, as a matter of course, that the merger of the three parties, a "political engineering" that he had carried out with a few leaders of opposition parties and staff members behind closed doors, without hearing the opinions of the people, the holders of sovereign right, and all of the politicians, was unjust, and then he should have promised to democratically reorganize the political structure. The majority of the people now are convinced that the leaders of the DLP, who are now absorbed in a scramble for power and position, are not the politicians who have taken it upon themselves to promote democratization and reunification and improve the people's livelihood. Before pledging to force business to sell non-productive real estate holdings and uproot the tendencies of business to make profits through real estate speculation through a warning, President No should have diagnosed the real cause that has devastated the economic structure today, and then promised to put into practice the public ownership of the land and real name system of financial transactions, which the people want, after eradicating the custom of giving privileges to conglomerates and the illegal amassing of wealth, the chief cause of the ailing economic structure.

The day the president made public the statement, the Party for Peace and Democracy [PPD] issued a declaration on the current situation asking for the formation of a nationwide cabinet and general elections and the election of local autonomous government offices at the earliest possible date. The PPD is not the only one that calls for legislation guaranteeing reforms, revision and abolition of evil laws, and legislation on compensating the victims of the Kwangju incident. Even the tentative Democratic Party calls for general elections and reforms, while other dissident organizations urge on the resignation of the current regime, and still other dissident organizations such as the National Democratic Alliance of Korea are calling for a struggle to oust the DLP regime. President No and the governing force should humbly hear their voices that represent the people's reaonableness and conscience.

Dailies Comment on President No's Statement

SK0805123990

[Editorial Report] Seoul vernacular papers on 7 and 8 May carry editorials on a special statement issued by President No Tae-u on the current difficult situation in the country.

TONG-A ILBO on 7 May carries a 1,200-word editorial on page 2 entitled, "The Key Is a Driving Force—Hopes That President No's Limited-Timed Promise Will Be Realized Without Fail." The editorial first says, "President No Tae-u finally has promised before the people to take the initiative with extraordinary determination to overcome the pending overall crisis." The editorial goes on to elaborate on the promise by President No to "achieve political, economic, and social stability to some degree," within a definite timeframe, which is slated for "the latter part of this year at the latest." The editorial notes that what is important is not just the will of President No, but his will to resolve the current issue in practical terms. It notes past promises that were not kept by President No and says that the president's remark, "what the government must do, I, as president, will take responsibility for," means that "if that responsibility is not carried out properly, the president himself will take responsibility for what happens." It then notes President No's statement urging "industrialists to look straight at what the people want today and pay heed to what they want and to do their best on their own to firmly build the foundation for stability of our society." The editorial goes on to note President No's statement in which he urged "the press organs and leading figures" to take the initiative in "rectifying all wrong tendencies and practices prevailing in our society today." It expresses the hope that "this will be an opportunity for leading figures to reflect on what contributions they are truly making to overcome today's crisis." This kind of indication on the part of leading figures is noteworthy, since "it is in relation to President No's determination to achieve democracy." It emphasizes that this shows President No's will "that one cannot retreat from democracy under any circumstances." The editorial concludes, "We must urge President No to carry out his promise in a sincere way and all the people must work to do their part" to overcome the current crisis.

CHUNGANG ILBO on 7 May carries an 800-word editorial on page 2 entitled, "Extraordinary Determination Must Be Put Into Practice—After Listening to the President's Special Statement." Referring to President No's statement, "What the government must do, I, as president, will take responsibility for," as the most noteworthy part of President No's speech, the editorial says that what is most important in overcoming today's crisis is "the attitude of the president." It goes on to note that "the most important key in overcoming the current crisis" is whether the practical will and practice to overcome the crisis by the government and the ruling party can be established. The editorial concludes that it will closely watch "how the government and the ruling party will change on the occasion of this special statement." It adds that the "people should also show the wisdom to overcome this current crisis."

KYONGHYANG SINMUN on 7 May carries an 800-word editorial on page 2 entitled, "President No's Direction on the Crisis—A More Clear Follow-Up Measure Must Be Taken." The editorial states that "the current crisis with which we are faced is in a most strained and important phase," which is enough to make the president appeal to the people on the current situation of the country. It notes, however, that President No's special statement is not satisfactory at this point, considering the labor disputes and political and economic difficulties with which we are faced. It says, "the president should have put forth a firmer direction in the state of affairs and in its policies." In other words, it notes, a more resolute measure and steps for reform should have been revealed. The editorial concludes that the reason for the current crisis and mistrust toward politics must be thoroughly examined and measures to resolve this must be put forth as soon as possible.

CHOSON ILBO on 8 May carries an 800-word editorial on page 3 entitled, "Last Opportunity for the President." Referring to the "overall crisis" we are faced with, the editorial says that the president must take responsibility in overcoming the crisis and that this responsibility should not be passed on to some other person. The editorial notes that "since there have been no noteworthy achievements by President No since he took office," this can be regarded as "the last opportunity for President No." It says that the key to overcoming the current crisis is whether the government can truly gain a victory over the conglomerates. The editorial then goes on to elaborate on the unlawful ways conglomerates have accumulated their riches, saying that this must be stopped once and for all. It notes that "President No's statement only presented one overall plan and that no concrete measures were mentioned." The editorial concludes that "democracy, stability, and the issue of overcoming the crisis are not issues that the president himself must take responsibility for." It says the government's will to carry out reform, its effective policies, and resolute civic spirit on the part of citizens are the only things that can overcome today's difficult crisis.

HANGUK ILBO on 8 May carries an 800-word editorial on page 2 entitled, "Finding a Way Out of the Crisis, This Must Be Carried Out Practically With Confidence." The editorial expresses the hope that "there will be some kind of tangible measures to overcome the current crisis and put it into practice soon." It continues that "some policy directions that were presented in President No's speech are insufficient to overcome the crisis." The editorial says if the government does not carry out measures to overcome the current crisis soon, it will rather bring about mistrust toward the government. It concludes that responsibility for overcoming the crisis should not be placed on the government but on businesses, and the people should also have the firm determination to work to eradicate real estate speculation, overconsumption, and the illegal act of destroying order.

SEOUL SINMUN on 8 May carries a 1,400-word editorial on page 2 entitled, "The Leadership-Level Should Step Forward in Overcoming the Crisis—Referring to President No's Special Statement." The editorial says that "President No's special statement showed strong will and determination to overcome the crisis." The editorial notes that President No's special statement reflected on the importance of overcoming the current crisis and emphasizes that if the "government and the political circles do not restore credibility, overcoming the crisis will be unclear." The editorial then goes on to say that first of all civil servants must show more discipline so that a firm and strict law and order can be established; the political circles must be aware that they are responsible for today's difficult crisis; and conglomerates should stop real estate speculations. It concludes that the time is one "when the people from all walks of life should make sensible and wise selections and distribute work" to overcome the current crisis.

New Leadership Installed at DLP Convention

SK0905074290 Seoul YONHAP in English 0236 GMT 9 May 90

[Text] Seoul, May 9 (YONHAP)—South Korea's ruling Democratic Liberal Party (DLP) was formally launched with a new form of leadership in an inaugural national convention Wednesday.

President No Tae-u was elected to a two-year term as party president and then named Kim Yong-sam as DLP chairman, the No.2 position in the giant government party.

Kim was also named to a three-man leadership council along with Kim Chong-pil and Pak Tae-chun.

The DLP was born Jan. 22 out of the merger of the now-defunct ruling Democratic Justice Party, Kim Yong-sam's Reunification Democratic Party and Kim Chong-pil's New Democratic Republican Party. Until Wednesday's party convention, No and the two Kims were co-leaders and Pak was acting co-leader.

The convention, attended by some 10,000 national assemblymen and guests, was held at Olympic Park in southeastern Seoul at a time when public discontent is growing and the popularity of the government is at its lowest level since No took office more than two years ago.

The party adopted a platform hinting that it will push for the revision of the Constitution to institute a parliamentary cabinet system after No completes his five-year term in February 1993. The platform stated: "The party will embody a parliamentary democracy in which the parliament and the Cabinet will be jointly responsible to the people."

In the course of preparations for Wednesday's convention there was some dissent among the factions over the platform because Kim Yong-sam was apparently reluctant to accept the initiative for a constitutional amendment. In his acceptance speech No said, "We will tide over the difficulty facing the nation with unity among all walks of life and we have such strength and confidence."

He expressed regret for the disappointment and concern which the DLP has created due to discord in the process of the merger. The new ruling party was engulfed in factional conflicts over party control until recently, stirring public distrust. A recent survey by a DLP institute showed that only 12 percent of Korea's voters support the government party.

"The process to democracy for the past three years demanded a costly sacrifice and the pain continues, but we will realize stability through consistent reforms and will achieve development based on stability," No said.

Opposition Calls for DLP's Disbandment

SK0905080690 Seoul YONHAP in English 0741 GMT 9 May 90

[Text] Seoul, May 9 (OANA-YONHAP)—Opposition lawmakers accused the ruling Democratic Liberal Party (DLP) of defying the will of the people by going ahead with its inaugurational national convention on Wednesday and demanded the DLP to be disbanded.

"We cannot but feel infuriated, once again, at the sight of the DLP holding its formal inauguration in defiance of the people's distrust and opposition," Kim Tae-sik, spokesman for Kim Tae-chung's Party for Peace and Democracy (PPD), said in a statement.

"Along with the people, we will closely watch the DLP's anti-democratic, anti-national and anti-history conspiracy in order to crush it," the statement said.

The DLP was formed in late January, when the ruling Democratic Justice Party merged with two moderate opposition parties—Kim Yong-sam's Reunification Democratic Party and Kim Chong-pil's New Democratic Republican Party.

A group of rebel lawmakers who left Kim Yong-sam's party rather than cross the aisle to the government ranks unleashed their own salvo of criticism against the DLP, which has a massive majority in the unicameral National Assembly as a result of the merger.

"If the DLP does not stop pretending to be a ruling party while ignoring the will of people, the people will rise up and destroy it," Chang Suk-hwa, spokesman for the tentatively named Democratic Party, said in a statement.

Chang called the DLP convention "an orgy of self-congratulation benefiting none but themselves."

Talks Fail To Bring Accord in KBS Dispute

SK0905071090 Seoul YONHAP in English 0549 GMT 9 May 90

[Text] Seoul, May 9 (YONHAP)—Talks between a high-ranking government official and a representative of striking staff at the Korea Broadcasting System (KBS) have failed to bring the two sides closer to ending a 27-day work stoppage at the state-run network.

Kim Chol-su, chairman of the KBS workers emergency committee, said Wednesday he had met with "a high-ranking official in a responsible position, but not in the Information Ministry," in downtown Seoul for 30 minutes Tuesday afternoon and discussed the prolonged dispute.

"He and I touched on the resignation of (KBS) President So Ki-won and the normalization of broadcasting, but failed to agree which should come first," Kim said.

"We understand that only direct dialogue with the government can end the time-consuming dispute. I learned nothing particular in my meeting with the official, but at least a channel for dialogue has been opened. I think the dialogue will continue as the channel is always open."

A committee spokesman said normalizing broadcasting before So's resignation was out of the question.

In a meeting the same day at Munhwa Broadcasting Corp. (MBC) headquarters in Yoido, not far from the KBS main office, 53 representatives of KBS departments and bureaus reaffirmed that they would follow the decisions of the emergency committee. On Tuesday, 25 senior announcers discussed participation in program production. They were to decide exactly when they will return to work after attending a meeting of KBS staff at network headquarters set for 1:30 P.M.

The committee spokesman said the announcers would be asked to let the committee decide when and how to normalize broadcasting. "A timetable for further struggle will be revealed during today's meeting," he said.

On Friday, the committee will file a writ of habeas corpus against the Seoul District Prosecutor's office concerning Yi Im-ho, head of the KBS branch of the Journalists Association of Korea, and 13 others detained since May 1 in connection with the drive to force So out of office.

The spokesman said KBS union leader An Tong-su, for whom an arrest warrant has been issued, will hold a news conference on Wednesday or Thursday.

Hyundai Union Sets 11 May Deadline for Talks

SK0905100890 Seoul YONHAP in English 0828 GMT 9 May 90

[Text] Ulsan, South Korea, May 9 (YONHAP)—Shop stewards at Hyundai Motor Co., the largest automaker in South Korea, voted Wednesday to resume contact and pay negotiations for two days. The union will negotiate with management until Friday, and if there is no progress by then the members will vote Saturday on whether to strike. Talks resumed in the afternoon.

Of 259 Hyundai Motor shop stewards, 155 (68 percent) voted with the union leadership after a stormy meeting. A motion submitted by hardline workers proposing a walkout Thursday received only 68 votes (30 percent).

The union returned to work Monday, but some 1,000 radical workers who opposed the decision stayed out.

Burma

Paper Discusses Upcoming Elections, Military

BK0805070090 Bangkok THE NATION in English 8 May 90 p 8

["The Regional Desk talks to Rangoon-based Western diplomats and Burmese dissidents and finds that relinquishing power is something the Saw Maung regime does not plan to do despite the forthcoming elections"]

[Text] A Rangoon-based Western diplomat has described the forthcoming election in Burma as "one great big unknown." Unknown because nobody knows who are running in the election. Unknown because no Burmese—probably with the exception of the military rulers—seems to know how the election will be conducted. But one thing that is known for certain is that the military regime that came to power through a bloody military coup in September 1988, is doing everything it can to prevent opposition parties from winning the election. That concern on the part of the military rulers in Rangoon grows as the election draws nearer.

Western diplomats briefing reporters in Bangkok last week said of a step-up of attacks in official media on opposition parties, especially the National League of Democracy (NLD) whose leader Aung San Suu Kyi has been under house arrest since last July. "Many of the accusations that surfaced last July at the time Aung San Suu Kyi was put under house arrest are now resurfacing in the press," said one of the diplomats.

The fears of an NLD victory are understandable given the Burmese people's loathing of the Gen [General] Saw Maung regime. Given a free and fair election, the NLD would easily sweep aside those in power in Rangoon, the diplomats and observers of Burma concurred. The regime, after having thrown major opposition leaders behind bars, has clamped a tight control on election campaigning, banning public rallies and censoring all campaign messages. And yet all these have not diminished popular support for the NLD, the largest and best organized of all the opposition parties running in the election. The diplomats said there was clear evidence of the NLD strength in several areas in and outside Rangoon. "If there was truly a free and fair election, the party would come up on top," said one of the diplomats who has been closely monitoring political development in Burma.

The National Unity Party (NUP), the successor to Ne Win's old Burma Socialist Programme Party (BSPP), nevertheless, is the most dominant and best financially supported party that the regime definitely wants to win the election. The party claims to have extensive support in Burma's rural areas which comprise 80 per cent of the population. The diplomats said in an attempt to deny the NLD a victory, the regime has tried creating disunity and factionalism within the opposition party. It recently released a few of detained political activists and quoted them in the state media as making charges against Aung San Suu Kyi. "The fact that the regime is stepping up its covert effort to hinder and destroy the unity of NLD and other parties shows that the regime is worried about the strength of these parties," said one of the diplomats.

Even if one of these parties did win—something which is most unwelcome to the military rulers in Rangoon—the regime has already made known it has no intention of readily handing over power to the civilians. The diplomat said Burma's army rulers have set strict conditions for transfering power after the election and could retain effective control for another two years. They said the State Law and Order Restoration Council (SLORC) does not plan to step down until an assembly to be set up after the election adopts a new constitution and forms a "stable government."

"How long that will take we have no idea. And the easiest thing to do is to have a few lackeys (of the regime) in the assembly create all kinds of obstacles to the formation of a constitution," said a diplomat.

In the eyes of the diplomats and Burmese dissidents, the May 27 election is anything but free and fair. "Presently, there is no freedom of speech, no freedom of assembly. Political parties are tightly restricted under the campaigning regulations. And hence under those particular conditions, there is already not a free and fair election," one of the diplomats said. The Saw Maung government has made it known that it has no intention to allow foreign observers and journalists into the country during the election. Dr Thaung Tun, spokesman for the All Burma Students' Democratic Front, a dissident student movement campaigning against the Saw Maung regime, said recently the election was only a ploy to secure financial aid and investment from foreign countries. Most Western countries have suspended assistance programme to Burma following the bloody coup in 1988 and have tied any future assistance to the result of the elections.

The massive relocation of people in Rangoon in recent weeks have further heightened suspicions toward the regime. The government claimed last month it had uprooted about 50,000 families and moved them to areas outside Rangoon, describing them as "new towns." But diplomats have estimated that more might have been resettled under the programme whose motive is being questioned. The diplomats, while admitting many of these resettled people have suffered from malnutrition and some even died of malaria and cholera because of the poor conditions in the resettlement areas, speculated that the eviction could be aimed at preventing a possible revolt ahead of the elections and denying support for opposition parties in the election.

Considering the nature of the military clique that has been in power for 27 years, there is little doubt that surrendering their power to the civilians is the last thing on earth it would want to do. "The military regime in power regards itself as posessing of monopoly of patriotism, virtues and selflessness required to run the country.

To it, it is the politicians that are corrupt, squabbling, and unreliable," said the diplomat who is openly critical of the military leaders in Rangoon. He said the Burmese military leaders trust no politicians, no intellectuals and no economists. "They see enterpreneurs, businessmen as greedy and only minding their own pockets. They have no sense that anyone else other than the military is capable of running Burma," he added.

The diplomat said the military's attitude is not contributing to the attempts to revive the country's economy. While recognizing the need for an economic reform, those who are running Burma "do not have the slightest comprehension of what economic reform would really entail. There is a strong ingrained tradition of control and tight supervision of overall aspect of the economy and there is a complete absence of realization that if you want a Burmese to invest in Burma and if you want the beginning of an economic revival you must reduce the enterpreneurs' fear of the arbitrary power of the state," he said. The diplomat said because of the military's expressive exercise of their arbitrary power, there has been no new domestic investment since the regime came to power. "They have a serious problem and I think it is brewing up into a worse problem over time, whatever their lip service to reform," he added.

Wa Army Appointed as Village Defense Command

BK0505023690 Bangkok BANGKOK POST in English 5 May 90 p 6

[Text] Burma recently appointed the United Wa State Army (UWSA)—whose 3,000-man force is fighting Khun Sa's guerrillas along the Thai-Burmese border—as a village defence volunteer command, military sources said yesterday. The appointment followed two meetings between UWSA military leaders Pao Ying Ai and Ai Siew Sue, and Maj-Gen [Major General] Khin Nyunt and Brig-Gen [Brigadier General] Tin U, who is a close secretary of Rangoon leader Gen [General] Saw Maung, the sources said. The first meeting took place in Rangoon in March and was followed by another meeting at Burma's 88th Division in Ban Poong Paw Cham, 80 kilometres opposite Chiang Dao District, they said.

The UWSA village defence volunteer command is allowed to carry weapons and to deploy forces along the Thai-Burmese border, while Rangoon provides weapons and munitions, including 105mm shells and bullets for AK-47 rifles, and 200 sacks of rice per month. Opium lord Khun Sa earlier sent a letter to the UWSA proposing a cease-fire, but there were no reports of a reply from the UWSA. Both groups are Burma's two major minority groups and are believed connected with narcotics trade.

Eight Karen, Student 'Insurgents' Arrested

BK0805092590 Rangoon Domestic Service in Burmese 1330 GMT 7 May 90

[Text] Eight members of the Hawke Group sent by the KNU [Karen National Union] and the ABSDF [All Burma Students Democratic Front] insurgents to carry out sabotage activities and to assassinate state leaders were exposed and arrested by the National Intelligence Bureau between 2 and 11 March 1990.

Members of the Hawke Group arrested are: Aung Swe U alias Ne Dun, 27, son of U Aye Swe, 126 Anawmar Road, Ward No. 13, South Okkalapa; Tat Min Aung alias Saw U, 22, son of U Zaw Win, 106 Bogale Market Road, Botataung Township; Ko Ko Gyi alias Thi Lat, 25, son of U Thi Han Ok of Agriculture Research Compound, Insein Township; Win Maw alias Tu Gyar, 25, son of U Phone Kyaw, 890 Maha Bawga Road, Ward No. 8, Mayangon Township; Nyi Naing Aung alias Thiha, 24, son of U Than Aung, 32 Mingala Road, Nanthagon Ward, Insein Township; Maung Maung Aye alias Bo Bo, 23, son of U Hla San, 83 94th Street, Kandawlay, Mingala Taungnyunt Township; Thein Tun alias Tukay, 21, son of U Hla Tun, 242 Htidan Damayon Street, Kandawlay, Mingala Taungnyunt Township; and Min Han alias Min U, 26, son of U Aung Gyaw, 1/23 Shansu Ward, Mogok.

Ye Lin alias Aung Naing, alternate commander of ABSDF Battalion No. 207, and Bo Philip, officer in charge of KNU demolition training, chose the members of the group in November 1988 and trained them for about one month in methods of carrying out sabotage and assassinating state leaders at close range. It is learned that the group comprised 10 members. They entered the country in groups in January 1989 to carry out underground and sabotage activities and assassination. Legal action will be taken against the arrested members of the Hawke Group.

Cambodia

Hun Sen Says Plans To Attend Talks in Tokyo

BK0905145690 Hong Kong AFP in English 1438 GMT 9 May 90

[By Leo Dobbs]

[Text] Phnom Penh, May 9 (AFP)—Cambodian Prime Minister Hun Sen said here Wednesday [9 May] he was going ahead with plans to attend a meeting in Tokyo next month with Prince Norodom Sihanouk despite the former monarch's announcement that he could not attend. Mr. Hun Sen also said that his government would consider Prince Sihanouk's request, made in a statement Monday in Beijing, to visit Phnom Penh-held areas of Cambodia in a bid to help reconstruct the country only if he submitted a written request.

"I have not rejected or accepted the request," Mr. Hun said in an exclusive interview with AGENCE FRANCE-PRESSE, adding that the matter could be discussed in a further meeting between the two men. He slammed Prince Sihanouk's latest leave of absence as a "diplomatic tactic" possibly aimed at detroying peace initiatives, and said he was 70 per cent certain the prince would change his mind and attend the Tokyo meeting. The youthful premier also said he could not "understand (Prince Sihanouk's) ideas of proposing to have reconstruction in the country while he is allied with the Khmer Rouge in preventing this national reconstruction" and government efforts to rebuild the country over the past 11 years. The communist Khmer Rouge, which ruled Cambodia from April 1975 to January 1979 and ended with an invasion by Vietnamese forces, left hundreds of thousands of people dead and the country a hollow shell.

Western visitors, including some senior officials, have noted the remarkable reconstruction work already carried out by the Phnom Penh government. Mr. Hun Sen added that if the former monarch's desire to play a role in reconstructing Cambodia was genuine, he would agree to an immediate ceasefire.

Prince Sihanouk said Monday he was taking a long leave of absence as head of the Cambodian resistance movement, which groups his supporters with those of the militarily powerful Khmer Rouge and former Premier Son Sann. "Eggs come from the chicken, therefore the ceasefire is the hen and the eggs are the reconstruction," he added. Prince Sihanouk said he wanted "to entirely devote myself to the rehabilitation of my people," and added that he could not attend the scheduled meeting next month in Tokyo with Mr. Hun Sen. The two men last met in February in Bangkok. He also asked the Cambodian premier for permission to travel in areas held by troops of the Vietnam-backed government—about 90 per cent of the country, analysts said.

Mr. Hun Sen said it was difficult to react to Prince Sihanouk's move "when you know that the other side is not sure of themselves," adding that the resistance leader would come under pressure from Thailand and Japan to attend the meeting. Thai Defence Minister Chawalit Yongchaiyut is scheduled to attend the talks, according to officials here. Mr. Hun Sen said he had sent to the Japanese on Tuesday his list of delegates to attend the meeting, which the Japanese Embassy in Thailand told him would take place June 5 or June 6. He said he planned to leave for Tokyo on June 3 or 4. He added that his side was actively preparing anything relating to the talks, which he said would focus on the ceasefire, a cessation of overseas arms supplies to the four warring parties and an international control. These issues could also be discussed in preparatory talks between the two sides in Bangkok, he said, adding that his team would remain ready until they received definite word from Japanese Prime Minister Toshiko Kaifu that the meeting was cancelled.

Mr. Hun Sen said he believed Prince Sihanouk is "changing" but added that the monarch had said only that he was taking a long leave of absence, so "it's not at all that he's resigned from the resistance group." But he expressed confidence that a ceasefire agreement could be forged this year, clearing the way for a comprehensive resolution to the Cambodian comflict. Thailand and Australia are both working toward a ceasefire agreement, he said, and if there was any obstruction "it would come only from the Khmer Rouge," whom Phnom Penh refuses to allow to take part in any future government. Mr. Hun Sen added that the planned meeting in Tokyo could pave the way for a resumption of the Paris international peace conference—which ended last August without agreement—as well as informal talks in Jakarta at the end of February among the warring parties and other concerned countries, including Vietnam.

Sihanouk's 'Daydream' of Touring Nation Viewed

BK0805141590 Phnom Penh Domestic Service in Cambodian 1300 GMT 8 May 90

[Station commentary: "Another of Sihanouk's Daydreams"]

[Text] While world public opinion was optimistic about a meeting to be held between Comrade Hun Sen and Samdech Sihanouk in Tokyo at the beginning of June, Samdech Sihanouk announced instead that he wished to ask the Government of the State of Cambodia for permission to travel throughout the country on his so-called royal mission for the Cambodian motherland.

The samdech's intention this time seems completely different from the one just a few days ago, when he wanted to stay above all Cambodian factions. It is still fresh in people's memory that over the past 11 years Samdech Sihanouk has spared no efforts for his royal mission in defense of the genocidal Pol Pot gang against the Cambodian people's rebirth. Using the label of Samdech Sihanouk, the Polpotists have succeeded not only in evading condemnation and extinction, but also in securing arms and munitions from international reactionaries in order to sabotage the property and lives of the Cambodian people. Using Sihanouk's name, the Polpotists and other Cambodian reactionaries have lured some of our people into abandoning their hometowns and taking refuge in camps where they would become human shields against the bullets and shells aimed at the Polpotists and Cambodian reactionaries. With Samdech Sihanouk as their ringleader, the Polpotists have succeeded in preserving their seat at the United Nations to the present day.

We wonder, what is the purpose of Samdech Sihanouk's current royal mission? We clearly remember that at the beginning of this year, Samdech Sihanouk announced he would live in his liberated zone built on the heaps of suffering and with the blood of the Cambodian people for the purpose of leading his so-called struggle to topple the Government of the State of Cambodia. However, in no time at all this so-called liberated zone just fizzled out like salt in water, and the prince was forced to flee to sanctuary. Once safe in Beijing, he again started daydreaming about launching another royal mission under the label of the United Nations in an attempt to meet the Cambodian people.

The Cambodian people would like to ask: For whom is this royal mission intended? Is it for Pol Pot to return to power in order to start butchering the Cambodian people again? Or is it for the prince's own revenge, as he did at the end of the 1970's? [sentence as heard] The Cambodian people would like to remind Samdech Sihanouk that the the Government of the State of Cambodia has announced this: Anyone who dissociates himself from the Polpotists, opposes the Pol Pot gang, and respects the Constitution of the State of Cambodia has the right to vote and to be elected in a free election in Cambodia. Therefore, if the samdech really wants to return home or to do anything useful for the Cambodian people, he must immediately announce his dissociation from the Polpotists. Otherwise, the samdech should not entertain any hopes. This would merely be another daydream.

UN Official on Technical Team's Activities

BK0905102190 Hong Kong AFP in English 1000 GMT 9 May 90

[Text] Phnom Penh, May 9 (AFP)—A U.N. technical team left here Wednesday [9 May] for New York via Moscow after completing a two-week study of central and provincial administrative structures in Cambodia, officials said.

Tunisian Hedi Annabi, leader of the 16-member delegation that arrived in Phnom Penh on April 24, said the group was "carrying out a preliminary technical survey of the various aspects of administrative structures" in Cambodia with a view to "gathering data that may be relevant to an eventual U.N. operation" and the holding of elections. He said the U.N. experts had looked not only at executive organs, including ministries and the national assembly, but also examined police and security matters, the legal system and its bearing on eventual elections, and studied the economic situation. The team also included a voting specialist who was involved in the recent elections in Nicaragua, as well as a statistics expert and a demographer. Two team members had worked on the U.N. programme in Namibia.

Mr. Annabi said the mission had "been very useful," even if the data collated in just two weeks could not paint a full picture. He said their report would likely be completed within a week, adding that a more detailed study might be needed after a settlement was forged between the warring Cambodian parties and a U.N. role was assured. A U.N. Development Programme (UNDP)-led team earlier this year examined Cambodia's infrastructure and communications, and a third U.N. mission is due here later in May to study the issue of repatriation and rehabilitation of refugees. Refugees in Thai border camps will have to return home before elections are held if they want to vote, a government official said.

Mr. Annabi said that data gathered by these three teams would allow the U.N. to proceed more formally with contingency plans for Cambodia. He said the information would also be of considerable value to the five permanent members of U.N. Security Council—Britain, France, United States, Soviet Union and China—when they meet in New York to discuss Cambodia later in May, prior to summer talks in Paris. It would also help those negotiating a peace settlement, he said.

A delegation source said the Cambodians had "opened all doors" to the U.N. experts. The source said that while there were problems, the Phnom Penh administration was clearly working, even if painfully short of skilled cadres. The reconstruction of the past 11 years, after the ouster of the communist Khmer Rouge by invading Vietnamese forces in early 1979, was "remarkable," the source said. The brutal Khmer Rouge destroyed conventional administrative structures and left the country in a total shambles after their nearly four-year rule. The Phnom Penh government, installed and backed by Vietnam, is fighting a guerrilla coalition that uneasily joins the Khmer Rouge with two non-communist forces loyal to Prince Norodom Sihanouk and former Prime Minister Son Sann.

Hun Sen Officials Confident of Holding Province

BK0805102290 Bangkok BANGKOK POST in English 8 May 90 p 3

[By Jacques Bekaert in Kompong Thom, Cambodia]

[Text] Kompong Thom—Officials of the Hun Sen regime, admitting that the resistance has stepped up attacks in this province, remain confident the city will remain safe. The assurances were made after government troops recaptured the district town of Stoung—some 50 kilometres from Kompong Thom city—from resistance forces on April 25. Stoung was abandoned by Cambodian resistance forces a few hours before it was retaken, a reliable source said. The resistance had occupied Stoung for about 10 days, the source said. Soldiers from the Cambodian People's Armed Forces (CPAF), supported by Special Police units, launched an attack from Siem Reap, Kompong Thom and the Tonle Sap that left the resistance an easy way out, a local source said.

At 9:30 p.m. the day before, four shells landed in Kompong Thom city, killing two people and severely wounding ten. Among the victims were several soldiers. One 107 mm shell hit a military camp where Cambodian Defence Minister Tie Banh was at the time. Six houses were destroyed by the shelling. Stoung, on Highway 6 in Kompong Thom, was the second district town to be captured by the resistance in the province. Its fall, in mid-April, showed once again the problems faced by the CPAF.

According to reliable sources in Kompong Thom and Phnom Penh, the city was poorly defended and some CPAF officers fled when they realised they were in danger. General El Vansarat, who was in the province when Stoung fell, has been recalled to Phnom Penh, according to military sources. Two days after the shelling of Kompong Thom, Phnom Penh Interior Minister Sin Song visited the town to inspect the defences of the province and the city. Police are playing an increasingly important role in national defence, and their special A3 units are considered better-trained and disciplined than regular and regional army forces. They are also less prone to the defections that continue to plague the CPAF. Police units from several provinces in Military Region 2, including Kompong Cham, Kompong Chhnang and Prey Veng, have been sent to Kompong Thom since mid-April.

While city and provincial officials admit there is danger, they are confident that Kompong Thom city is safe. "The rainy season will help us", Khieu Horl, president of the city committee, said. "The area surrounding the city will be under water, making it difficult for the enemy to get close." Khieu Horl claimed the resistance is more active in Kompong Thom because of its failure along the Thai-Cambodian border. "If the reactionaries can occupy Kompong Thom, they can isolate the provinces of Siem Reap and Preah Vihear, and use Kompong Thom as a springboard to attack Phnom Penh," he said.

It was still unclear how much damage Stoung had suffered during the past few weeks. People from Stoung in the town when it was occupied by the resistance claimed the Khmer Rouge had destroyed administrative buildings but otherwise had behaved with restraint. They accused the "para" (the Khmer People's National Liberation Front and the Sihanoukists) of looting. "I am not communist" one of the witnesses said, referring to the Phnom Penh regime.

"But I don't like what the resistance is doing. The little we had in Stoung has been destroyed," the witness said.

Most civilians in Kompong Thom—where unlike other provinces authorities did not provide reporters with a minder—did not express much support for any of the Khmer factions. They said they were tired of war and often asked when the United Nations troops would come. Although a few people left Kompong Thom and took refuge in Phnom Penh as the fighting intensified, life appeared to be normal, schools were open and the market was busy from morning to dusk. Curfew is at 7 p.m. and military presence in the city is strong.

On the afternoon of April 27, troops were rushed north of the city as a Khmer Rouge infiltration was discovered. Some Khmer Rouge soldiers came as close as 5 km to the town, but in the evening cheering troops returned claiming "the enemy" had been repelled. Heavy 105 and 122mm guns regularly pounded Khmer Rouge and ANS [National Sihanoukist Army] positions, but few people seemed to pay much attention to the noise. More than 70 wounded soldiers have arrived at the provincial hospital since the beginning of April. A team from the French section of Medecins Sans Frontieres has been in Kompong Thom since the beginning of the year, assisting three Cambodian doctors and 14 medical auxiliaries at the hospital.

Meeting Reviews Army Activities in Dry Season

BK0905072790 Phnom Penh Domestic Service in Cambodian 2300 GMT 8 May 90

[Text] The Central Army Party Committee and the Defense Ministry organized a meeting at the office of the National Assembly on the morning of 7 May to sum up military activities during the 1989-90 dry season and set targets for the 1990 rainy season. Attending the meeting, among others, were Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the Council of State of the State of Cambodia; Comrade Chea Sim, member of the party Central Committee Political Bureau, chairman of the National Assembly, and chairman of the Kampuchean United Front for National Construction and Defense National Council; Comrade General Bou Thang, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Mrs. Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Central Organization Commission; Comrade Sar Kheng, member of the Political Bureau and chief of the party Central Committee Cabinet; Comrade Say Chhum, member of the Political Bureau, vice chairman of the Council of Ministers, and minister of agriculture; Comrade Nguon Nhel, member of the Political Bureau and secretary of the Phnom Penh City Party Committee; Comrade General Tie Banh, member of the Political Bureau and minister of national defense; Comrade Gen. Sin Song, alternate member of the Political Bureau and minister of the interior; Comrade Lieutenant General Pol Saroeun, alternate member of the Political Bureau, deputy defense minister, and chief of the General Staff; Comrade Lieutenant Ke Kimyan, member of the party Central Committee and first deputy defense minister; and Comrade Lt. Gen. Nhim Vanda, member of the party Central Committee, deputy defense minister, and chief of the General Logistics Department.

The meeting was attended also by leading comrades from party and state institutions and ministries and offices at the central as well as provincial and municipal levels, and commanders of military regions, divisions, and other units of the Cambodian People's Armed Forces.

In his opening speech, Comrade Chea Sim praised the feats and achievements made by our Armed Forces during the past dry season in crushing the adventurous attempts of the enemies of all stripes, particularly since the complete pullout of the fraternal Vietnamese volunteer troops. Comrade Chea Sim went on to say that this meeting would create a sense of close unity in views, aspirations, and activities aimed at mobilizing the forces of the whole national society against the enemies. He appealed to the participants to do their best and concentrate on past key experiences in order to enhance their fighting capability to defend national independence and territorial integrity and to bring peace and prosperity to our people and national society.

Phnom Penh on Battle Results of Past Six Months

BK0605053190 Phnom Penh Domestic Service in Cambodian 0430 GMT 6 May 90

[Text] Since the end of September 1989, that is following the total withdrawal of Vietnamese volunteer troops from Cambodia, the three Cambodian reactionary groups have mobilized their forces to try to attack a number of localities adjacent to the western and northwestern borders of the country, such as in Battambang, Banteay Meanchey, and Siem Reap-Oddar Meanchey Provinces.

In the face of this situation, the three categories of our Armed Forces, with the cooperation of the local authorities and people, have counterattacked and have launched sweep operations against these elements, causing them shameful defeats on all battlefields. In sum, during the past six months, our Armed Forces smashed 3,669 enemies of all stripes, captured 670 on the battlefield, forced 389 to surrender, and seized 2,525 assorted weapons and a large quantity of war materiel. Our Armed Forces have continued their sweep operations against the enemies by firmly consolidating their position of strength and victory in national defense tasks.

Banteay Meanchey Commander on Military Situation

BK0705031290 Phnom Penh Domestic Service in Cambodian 1300 GMT 6 May 90

[Station correspondent's interview with Captain Sok Rina, deputy commander of Banteay Meanchey Provincial Armed Forces, on military situation in the province during the first three months of 1990; date not given—recorded]

[Excerpts] [Correspondent] Could you please tell me about the situation in the province during the past three months?

[Sok Rina] [Passage omitted] We launched 393 search-and-destroy operations against the enemies outside the provincial boundary. During these operations, we clashed with the enemies on 23 occasions. The province's combined forces launched 297 independent operations during which 11 clashes took place. We also launched 96 joint operations during which 12 clashes took place. In sum, during the past three months, we killed 219 enemies on the spot, including 70 Pol Pot soldiers, 92 Son Sann soldiers, and 57 Sihanoukist soldiers. We wounded 208 enemies, including 64 Pol Pot soldiers, 98 Son Sann soldiers, and 46 Sihanoukist soldiers; captured six others on the battlefield—two Pol Pot soldiers, two Son Sann soldiers, and two Sihanoukist soldiers; seized 22 assorted weapons—two AK's, two RPD's, four B-40's, a B-40.5, a B-41, 11 M-16's, and an M-18—eight M-82 rockets, two radios, and a large quantity of war materiel. This is the outcome of our activities since the beginning of 1990.

Concerning the proselytization movement, through our mass persuasion work in the past three months, 214 enemies turned themselves in to us. This included 22 individuals from the Pol Pot group, 176 from Son Sann's group, and 16 from the Sihanoukist group. They brought along 143 assorted weapons, including 84 AK's, 25 M-16's, six M-18's, two SKS guns, two RPD's, four B-40's, 13 B-40.5's, an M-30, an M-60, an M-79, and four M-59 rockets. [passage omitted]

Sihanouk Says Will 'Remain Quietly' if Bypassed

BK0905015390 Bangkok BANGKOK POST in English 9 May p 2

[Text] Prince Norodom Sihanouk yesterday said he would "remain quietly" in Freedom Village (Phum Sereipheap) in Cambodia, or in Beijing or Pyongyang, if donors for his proposed reconstruction plans prefer to bypass him in favour of local authorities.

Sihanouk announced on Monday [7 May] from Beijing he was taking a "long leave of absence" from the leadership of the resistance in order to devote himself to the reconstruction of his country. He said he would contact "several wealthy countries who desire to help my people in the social, cultural and humanitarian fields and particularly in public health, national education, agriculture and water supply, salvation of Angkor and development of arts and crafts in villages with a cottage industry. The prince also said he would not attend a meeting with Phnom Penh Premier Hun Sen, proposed by Thai Prime Minister Chatchai Chunhawan in Tokyo early next month.

In a follow-up statement released in Beijing yesterday, Sihanouk said a team of "non-corrupted Cambodians" will be gathered to help him search for assistance from foreign countries. "It is well understood the assistance shall be administered and distributed to the Cambodian people by the donors alone, without passing through me or my 'team' or Cambodian authorities of the different regions." Sihanouk also said he and his team would "ask the donors and the authorities of each zone (Phnom Penh, Khmer Rouge, KPNLF [Khmer People's National Liberation Front], FUNCINPEC [National United Front for an Independent, Neutral, and Cooperative Cambodia]) to grant us permission to accompany representatives of donor countries to the regions to be assisted." He also asked that he and his team be allowed to work with these representatives, the beneficiaries, and the local or governmental authorities. The prince stressed in the statement that if he was bypassed, he would remain quietly at his house in Freedom Village (Phum Sereipheap) in Cambodia or in Beijing or Pyongyang, according to his time schedule.

DK Leaders Urge Sihanouk To Continue Activity

BK0905020090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 May 90

["Message to Samdech Norodom Sihanouk"]

[Text] Respectfully to Samdech Norodom Sihanouk, president of Cambodia and head of the Cambodian national resistance forces, Beijing.

Esteemed Samdech: All of us have been very worried after receiving your statement dated 7 May 1990.

For our entire Cambodian people, our entire Cambodian nation, all our Cambodian national resistance forces, and all cadres and male and female combatants, the Samdech's activities to promote the national liberation struggle and accelerate the efforts to put an end to the Vietnamese war of aggression through political means constitute a great encouragement, creating confidence in the victory of our nation and in the fate of our nation. For the majority of world people, the Samdech is the lofty leader of our Cambodian nation and people who have been struggling valiantly against the Vietnamese aggressors. Through the Samdech's activities in the international arena, they are convinced the Cambodian problem will be resolved.

As for our nation and people, our three Cambodian national resistance forces, and all cadres and male and female combatants, like the majority of friends across the world, want the Samdech to continue your activities in your capacity as president of Cambodia and head of the Cambodian national resistance forces in order to expedite the struggle and the solution to end the Vietnamese war of aggression in Cambodia through political means. This is so Cambodia will regain independence and neutrality with its territorial integrity, the Cambodian people will enjoy peace and security again, and peace, security, and stability in Southeast Asia and the Asia-Pacific region will be ensured.

It is true that the settlement to end the Vietnamese war of aggression through political means is a complicated issue that requires arduous efforts both from the entire Cambodian people and all Cambodian patriots and from various countries in the world that want peace to prevail in Cambodia and Southeast Asia. The majority of people in the world have clearly seen that the Samdech and the three Cambodian resistance forces have a clear goodwill to quickly settle the end of the Vietnamese war of aggression through political means. They have made one concession after another. The majority of people in the world have also seen how obstinate the Vietnamese aggressors have been. Therefore, this matter requires that the Cambodian people, the three Cambodian national resistance forces, and particularly the Samdech in your capacity as president of Cambodia and head of the Cambodian national resistance forces make even greater efforts. In this connection, the Samdech's role is very important in ensuring that Cambodia will regain its independence, sovereignty, and territorial integrity, and that there will be a national reconciliation among all Cambodians regardless of their past or political tendencies, through which peace will prevail in the future Cambodian society.

Due to all these reasons, all of us would like to call on the Samdech to continue your activities as president of Cambodia and head of the Cambodian national resistance forces. Please, Samdech, accept our deepest feelings of respect and love.

[Dated] 8 May 1990
[Signed] Khieu Samphan, vice president of Cambodia in charge of foreign affairs and head of the party of Democratic Kampuchea [DK];
Son Sen, minister attached to the Coordinating Committee in charge of National Defense and deputy head of the party of Democratic Kampuchea

Khmer Rouge Attacks 'Stalled' in Heavy Rain

BK0805132490 Hong Kong AFP in English 1308 GMT 8 May 90

[Text] Bangkok, May 8 (AFP)—A Khmer Rouge assault on two Cambodian Government firebases in northwestern Cambodia has stalled because of heavy rains over the weekend, Thai authorities at the border said Tuesday [8 May]. Guerrillas of the Khmer Rouge 474th Regiment under the command of Commander Sok Pheap launched a pre-dawn assault Sunday and bombarded the villages of Phum Dong Aranh and Phum Kop where Phnom Penh forces maintain two key firebases, the officials said. But one Thai official said heavy rain in the past few days had "turned the battle ground into a shallow swamp" and had apparently "bogged down" both guerrillas and phnom penh forces.

The Khmer Rouge attack was apparently aimed at cutting off a section of the 48-kilometer (29-mile) stretch of Highway 5 between Poipet and Sisophon, the government's main supply depot in northwestern Banteay Meanchey Province. Sisophon and Highway 5, the lifeline to Cambodia's border town of Poipet, are protected by a network of five artillery firebases originally set up by Vietnamese soldiers prior to their withdrawal in September.

The Chinese-backed Khmer Rouge earlier this year launched several large-scale attacks against the bases at Phum Kop, Phum Dong Aranh, Phum Soriya and Phum Nimit. But they encountered stiff artillery fire and were repulsed with heavy loss of life. The Khmer Rouge and its two non-communist coalition partners are fighting to oust the Phnom Penh government installed by an invading Vietnamese army which toppled the Khmer Rouge from power some 11 years ago.

Thai officials said they last heard heavy exchanges of artillery and mortar fire from the direction of Phum Dong Aranh late Monday. Thai para-military personnel said they believed that if the heavy rains continue, Phnom Penh's armoured forces would be immobilized. Soviet-made T-54 tanks and armoured personnel carriers gave Phnom Penh forces the upper hand in fighting during the dry season, they noted. Phnom Penh's mechanized forces retook several strategic towns and villages, including Svay Chek, Thmar Puok and Banteay Chmma, from non-communist guerrilla forces in February and March.

Meanwhile, a Thai police officer reached by radiotelephone in the border village of Khok Sabaeng said eight Cambodians armed with Soviet-made AK-47s slipped across the border late Monday and robbed a Thai villager and his wife in the village of Tha Kham, some 15 kilometers (nine miles) south of Aranyapathet. The Cambodians, who were dressed in police uniforms, made away with gold rings and necklaces, a gold watch, and cash worth around 60,000 baht (2,400 dollars), the officer said. Thai authorities in Aranyapathet said security at border villages was being stepped up and that they would ask Cambodian authorities in Poipet to seek ways of preventing future incidents, which they said had increased in the past few months.

VONADK on Enemy Forces Killed on Route 10

BK0805022690 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 7 May 90

[Text] Between 29 April and 3 May, our Cambodian national resistance forces on Route 10 battlefield attacked four Vietnamese-puppet positions defending Treng and Sdau [Battambang Province] located in areas east of Chea Montrei village, north of Phkay Proek hill, at O Svay, and on Baribo road, killing 61 enemy soldiers, including a regiment commander, and wounding 38 others. We destroyed a quantity of war materiel.

Also between 29 April and 3 May, our national resistance forces dug 40 holes on Route 10 in areas from Treng to Sdau and from Sdau to Snoeng. On 2 May, our national resistance forces ambushed a regiment of Vietnamese-puppet soldiers at Phnum Sar, killing 11 enemy soldiers and wounding 18 others. The survivors retreated.

Philippines

Police Say Fredette Victim of 'Botched' Robbery

HK0905072390 Hong Kong AFP in English 0710 GMT 9 May 90

[Text] Olongapo, Philippines, May 9 (AFP)—Police officials Wednesday said they had solved the recent murder of a U.S. Marine off Subic Naval Base, but had yet to finally establish which of two principal suspects was the gunman.

Lieutenant Colonel Nicanor Daos, Olongapo police station commander, said Sergeant John Fredette was slain in a botched holdup, and that Reynato Angeles, a jobless 34-year-old man, was pinpointed by eyewitnesses as the gunman. But Mr. Angeles claimed his companion, half-American William Burke, had grabbed the gun from him after he hesitated, and the weapon accidentally went off, hitting the Marine in the back of the head, Lt. Col. Daos said.

Sgt. Fredette, based at a Marine station in El Toro, California, was on temporary assignment at Subic when he was shot just before midnight Friday in a side street of Olongapo, host city of the U.S. naval complex.

Olongapo police investigators initially said they were focusing on the possible involvement of the communist rebel New People's Army (NPA), which has neither confirmed nor denied any role in the murder. The NPA previously claimed responsibility for the assassination of five active-duty U.S. military men, including an army colonel, since 1987 as part of a campaign to force the U.S. bases' removal.

The murder weapon in the Fredette murder has not been recovered, but police said Sgt. Fredette was killed with a .38 calibre revolver.

The two suspects were described by police as drug addicts.

Ileto on Numbers of U.S. Troops Before Coup

HK0805120790 Quezon City Sports Radio 738 in English 1100 GMT 8 May 90

[Text] National Security Adviser Rafael Ileto today clarified the statement earlier made by Brigadier General Artemio Tadiar that there was an unusual increase in the number of American troops in the country days before the failed December coup. Ileto said that actually there was a regular military exercise of American troops in the Asia-Pacific during those days.

The national security adviser said two American military carriers passed by the Subic Naval Base days before the coup after a military exercise in Japan and Thailand.

'Implementable' Bases Conversion Plan Presented

HK0905041590 Manila MANILA BULLETIN in English 9 May 90 pp 1, 17

[Text] The government expressed confidence yesterday it will have good bargaining leverage in negotiations on the U.S. military facilities in the country as the Legislative-Executive Bases Council (LEBC) presented an "implementable" program for the conversion of the Clark Air Base into a civil aviation complex and the Subic Naval Base into a maritime industrial complex.

The LEBC plans also include the sale for about P[pesos]100 to P140 billion of land now occupied by metro Manila camps which will be transferred to the baselands. Eyed for more immediate implementation is the use of lands returned by the U.S. to the Philippine government which constitute 90 percent of the original area of Clark and 70 percent of Subic's original territory.

LEBC Chairman Jose V. Abueva briefed President Aquino and executive department officials on these comprehensive conversion plans which the council formulated. Abueva, also president of the University of the Philippines (UP), said the plans considered a scenario that the U.S. facilities will be out of the country after the RP [Republic of the Philippines]-U.S. military bases agreement ends Sept. 16, 1991.

Abueva said, "We are getting ready. We have plans for implementation immediately and in the coming months, even before the Military Bases Agreement terminates next year. By September, 1990, we shall submit our comprehensive conversion program to the President and Congress for the alternative economic, social security uses of the military baselands."

Executive Secretary Catalino Macaraig Jr., who heads the Presidential Committee on the Bases, said that with these studies, President Aquino is "confident that the Philippine government will be prepared in the event the U.S. facilities are withdrawn after September, 1991."

LEBC plans to convert Clark into a civil aviation complex, and industrial and agricultural estates, Abueva said, adding that Clark is being eyed as a "model" for the implementation of agrarian reform. The LEBC said Subic could host a maritime industrial complex with complete ship repair, cargo transshipment, and depot facilities; and a fishing port complex, an industrial center, a military reservation, and an airport. It proposed the relocation of Fort Bonifacio and Villamor Air Base to the base lands. The sale of land to be vacated by these camps is expected to raise between P100 to P140 billion for the government.

Defense Undersecretary Ernie Ordonez, a council member, said the disposition of the military camps may be done in three ways. Government can either sell the raw land, enter into a joint venture, or participate in the development of the land itself. The 130-hectare Villamor Air Base can be immediately readied for sale, and may fetch a price of P12.5 billion, he said.

Noting that the LEBC has also taken into consideration the possible economic losses to the community outside the bases, Abueva said the council is studying ways "to cushion the impact of dislocating people, particularly the women in the entertainment field, small shopkeepers and businesses, indigenous cultural communities, and the urban poor who would directly affected by withdrawal of U.S. forces and facilities."

Former rebel Bernabe Buscayno alias "Kumander Dante," who has set up a cooperative in Capas, Tarlac, is reportedly being consulted on organizing cooperatives and other groups for livelihood outside the bases.

Central Bank Possible Venue for Bases Talks

HK0905043490 Manila Far East Broadcasting Company in Tagalog 0100 GMT 9 May 90

[Excerpts] The bases exploratory talks could be held at the Central Bank building in Roxas Boulevard because of its full-proof security system. This was learned from some sources of the Department of Foreign Affairs.

Meanwhile, National Security Adviser Rafael Ileto said the government is closely monitoring the activities of various militant groups in order to block possible plans of creating trouble during the talks which will begin on Monday, 14 May. [passage omitted]

The source from the Central Bank said that the Philippine and U.S. panels have already agreed that the venue of the talks will be the Central Bank building.

Option To Declare Country Neutral Studied

HK0705103590 Manila PHILIPPINE DAILY INQUIRER in English 7 May 90 p 6

[Text] A presidential committee is considering the option of declaring the country a neutral state which shall not host any foreign military base.

This option, which the presidential bases committee is now studying, was initially presented by foreign affairs legal adviser Jorge Coquia to the Foreign Service Institute in 1987. Coquia described the option as an "ideal and desirable posture."

The committee, headed by Executive Secretary Catalino Macaraig Jr., advises the country's bases negotiating panel chaired by Foreign Secretary Raul Manglapus.

Exploratory talks between Manila and Washington on the future of U.S. military bases in the country will start next week.

Declaring the Philippines as a neutral state "will once and for all remove the stigma believed by many states that the Philippines, as far as foreign relations is concerned, still depends on the United States," said Coquia, a former associate justice in the Court of Appeals, in the paper "some Perspectives of a Neutral State." A copy of the article was also submitted to the Senate foreign relations committee headed by Sen. Leticia Ramos-Shahani.

In his paper, Coquia cited the many advantages of a neutral state.

—The elimination of foreign military installations will eliminate or at least reduce the danger of the Philippines being drawn to a war that is not of its own making.

Military experts admit that the U.S. bases are magnets to nuclear attack or that they serve to draw nuclear fire power from the U.S. mainland.

—The neutral status is in accordance with the provisions of the 1987 Constitution which renounces war as an instrument of national policy and which anchors foreign relations on national sovereignty, territorial integrity, national interest and the right to self-determination.

Moreover, the status will enable the Philippines to comply the constitutional ban on ally types of nuclear weapons.

—The neutral status of the Philippines will contribute to the full realization of the plan to declare the region a zone of peace, freedom and neutrality. ASEAN groups include the Philippines, Thailand, Singapore, Malaysia, Indonesia and Brunei Darussalam. Manila is a signatory to the ASEAN declaration seeking the ultimate conversion of Southeast Asia into a real zone of peace and neutrality.

—The Philippines can establish and maintain its friendly relations not only with the United States and its allies but also with the Soviet Union and states of various ideologies.

Coquia also noted that "most of the independent states, except Pakistan and the Philippines, have one way or another declared themselves as neutrals."

He said the latest modification of neutrality is the policy of non-alignment many states have adopted in the face of the Cold War between the two superpowers.

In his paper, Coquia also cited the negative effects of neutrality.

—The close relationship between the Philippines and the United States might be adversely affected. It is possible that the usual generous economic assistance Washington grants Manila might be substantially reduced.

—The elimination of the U.S. bases here would mean a loss of economic benefits. The bases might adversely affect ongoing negotiations of restructuring our foreign debt or negotiating new ones to support our weak economy.

Consul to Jeddah Recalled for Consultation

HK0705052190 Manila PHILIPPINE DAILY INQUIRER in English 7 May 90 pp 1, 9

[Text] The Department of Foreign Affairs [DFA], "worried and concerned" about reports that the Moro National Liberation Front [MNLF] would be admitted as full member by the Organization of Islamic Conference [ICO—OIC], has recalled to Manila for consultation Consul General Candidato Gutoc of the Philippine mission in Jeddah, Saudi Arabia.

Reports reaching the DFA also said MNLF Chairman Nur Misuari would be allowed to address the 19th ministerial conference of the powerful Islamic bloc next month in Cairo. Both the OIC and the MNLF are based in Jeddah. Misuari, who also lives in Jeddah, is now in Cairo in preparation for next month's OIC summit.

Foreign Secretary Raul Manglapus, however, said over the weekend that the DFA has yet to get confirmation on the reports from the Philippine missions in the Middle East. He told diplomatic reporters that contrary to some reports, the Manila envoys of OIC member countries have remained uncommitted on the MNLF's bid for OIC membership. "We've not heard from them officially," Manglapus said. "We can't act on mere newspaper reports."

Last week, INQUIRER sources at the Saudi Arabian and Jordanian embassies here said that 37 of the 46 OIC members have assured the MNLF of their full support in its membership bid.

Malacanang, however, dismissed the diplomats' claims, stressing that the MNLF's secession bid was a "domestic and purely internal issue."

Membership to the OIC will give the MNLF a status of belligerency like the Palestine Liberation Organization and entitle it to financial and material support from the Islamic bloc.

In a telephone interview Friday, MNLF spokesman Datu Rey Ibrahim-Uy Al-Haj said the World Muslim League [WML], a non-governmental group working for the welfare of Muslims worldwide, has assured the MNLF of "all-out support" in the Cairo conference.

Ibrahim-Uy quoted League secretary general Dr. U'mar Nasif whom he met in Jeddah recently as saying, "the League will always be behind the MNLF." Nasif, he said, even congratulated the MNLF in advance on its acceptance as regular member of the OIC.

President Aquino had earlier invited the WML to set up an office in Manila to monitor the Philippine government's development efforts for Muslim Mindanao. The League, however, turned down the invitation.

Early this year, the Aquino administration relayed an invitation to top OIC officials led by Secretary General Hamid Al-Ghabid to visit the Philippines. The OIC officials declined the offer.

Ms Aquino also wrote Egyptian President Hosni Mubarak requesting, among other things, the deletion of the MNLF issue from the agenda of the OIC summit. Diplomatic sources said Mubarak ignored the request.

As a last minute measure, the Philippines is sending a special diplomatic mission to the OIC before the Cairo conference.

Meanwhile, another MNLF spokesman, Ustadz Zain Jali, said "there is some truth" to reports that the MNLF has forged an alliance with the outlawed Reform the Armed Forces Movement (RAM). But Jali, in a telephone interview, said he could only confirm "for sure" an alliance between the MNLF's armed wing, the Bangsa Moro Army, and the armed followers of fugitive Col. Alexander Noble based in Agusan del Sur.

Jali also said that OIC member-countries "have grown tired of promises made by the Aquino government," adding that the recent elections in the Muslim autonomous region in the South were disregarded by the powerful Islamic group. He said Ms Aquino's appeals—

which successfully blocked the MNLF's bid for OIC membership over the past three years—"will fall on deaf ears this time."

"It cannot even be called a semi-autonomous government," Jali said of the four-province autonomous body formed out of 13 provinces and nine cities in the South with a significant Muslim population. "This is a puppet autonomous government invented by Manila," Jali added.

Shortly after the OIC ministerial conference next month, Jali said the MNLF will go through with the much delayed plan to declare the separation and independence of Mindanao from the Philippine republic. He dismissed plans of the government and rival Muslim groups to contest the MNLF's membership application. "Nothing can stop us now, he said.

Further on Problems Posed by Hong Kong's Return

HK0705102790 Quezon City MALAYA in English 7 May 90 pp 1, 2

[By Ellen Tordesillas]

[Text] A foreign affairs official yesterday said the Communist Party of the Philippines [CPP] has started recruiting among 52,000 Filipino workers in Hong Kong with the objective of establishing party-to-party relations with the Chinese Communist Party when Hong Kong reverts to China in 1997.

The official, who requested anonymity, said the Department of Foreign Affairs is closely watching developments in Hong Kong where there are 50,000 Filipino domestic helpers and 2,000 professionals mostly in newspapers and multinational companies.

He said the worst-case scenario is that the Philippines will find itself with 50,000 unemployed domestics in 1997 if China imposes a policy of giving priority to its own unemployed nationals.

He said amid jitters and fears of Hong Kong residents who have experienced economic prosperity under British administration, there is a feverish effort to establish political parties and pressure groups with close links to the Chinese Communist Party.

"The CPP-NDF [National Domestic Front] is establishing a support group which will strive for a status that would afford them increased propaganda, recruitment, and other united front and party-building activities," the official said.

He said domestic helpers who have problem with their working contracts and visas are vulnerable to enticements from communists and criminal syndicates.

The official said Philippine immigration officials should strictly screen emigrants from Hong Kong to prevent entry of those who are a liability or threat to national security.

The official said last year 50,000 Hong Kong professionals left the British colony for the U.S., Canada, Australia, and New Zealand fearful that Beijing will impose a rigid system starting 1997. The official said "the Hong Kong brain drain continues unabated" and the government and multinationals are worried about the scarcity and lack of qualified personnel to run their day to day operations.

He also said the political uncertainty in Hong Kong and the loss by China of the "most favored nation" status in 1997 could result in a diversion of much needed capital to neighboring countries. He urged the Philippine government to address the concerns of prospective Hong Kong investors about the Philippines which include peace and order, energy situation, labor situation, communication and transportation, inadequate infrastructure, interest rates, bureaucracy, import duties and taxes, local financing, and availability of raw materials. The Philippines should also offer a special package of incentives competitive with those being offered by Thailand, Singapore and Malaysia, he said.

Authorities should amend present investment schemes to allow foreign investors to qualify for citizenship after a residence of at least three to four years in the Philippines. If this cannot be done due to constitutional constraints, the authorities could study the possibility of granting a Hong Kong investor a certificate of identity which will allow him to freely travel in and out of the country.

The official said the 40 percent limit to foreign ownership of firms and prohibition of ownership of lands by foreign investors should be studied.

Spokesman Elaborates on Broader Powers for Aquino

HK0805025190 Manila THE MANILA CHRONICLE in English 8 May 90 p 1

[Text] President Aquino may ask for unlimited emergency powers to deal with security problems, which Congress had previously denied her, Presidential spokesman Adolfo Azcuna said yesterday.

Speaking to newsmen, Azcuna said that the President might ask for the broader powers she had asked last December which Congress rejected when it passed Republic Act [R.A.] 6826, known as the Emergency Powers Act.

"The expansion would be possibly, if you will go into the history of this legislation (R.A. 6826), what she had requested but was not given," Azcuna said. "There were certain broader powers that were not given."

In the original Malacanang-proposed measure, the President sought authority to "promulgate and undertake any and all reasonable measures as may be necessary and proper to put down the mutiny or rebellion, or normalize peace and order and the commercial and industrial activities of the nation, rehabilitate and reconstruct the economy, address the root causes of the rebellion, and prevent the repetition thereof."

Another provision of the bill would empower the President to "undertake such other measures as may be reasonable and necessary to enable the President to carry out the declared national policy." That open-ended proviso in the original bill in fact worried senators who thought it might vest the President with virtual martial law powers.

Invoking that provision, Defense Secretary Fidel Ramos and then justice secretary Sedfrey Ordonez reportedly asked congressmen for emergency powers to enable the military to arrest suspected civilian coup supporters and search their homes without warrants.

The President later clarified that what she had asked for was authority to order the search and seizure of firearms and ammunition that the Armed Forces lost during the failed December coup.

Congress dropped the open-ended proviso as well as the presidential authority to order the seizure of guns, for a measure that was largely directed at empowering the President to enact measures that would hasten the economic reconstruction of the country.

Analysis Says Aquino Afraid To Exercise Power

HK0705104990 Manila THE MANILA CHRONICLE in English 7 May 90 pp 1, 6

["Analysis" column by Amando Doronila: "Paralysis of Power Afflicts Presidency"]

[Text] In the annals of Philippine politics, the Aquino presidency stands out as the only administration that has been paralyzed by the mordant fear of exercising state power. It has governed by breaking all the Filipino political traditions calling for a strong executive leadership. Because it has breached these traditions, the Aquino presidency, by functioning like a benign chairman of a family corporation, has created a paralysis of power that poses a danger to the survival of constitutional democracy.

Writing in the late 1960's when Philippine elite-dominated democracy was in full bloom, John Romani, a scholar on the Philippine presidency, warned that the greatest danger to Philippine democracy was a weak presidency. That observation has come home to roost in the Aquino presidency.

All past presidents—from Manuel Quezon of the Commonwealth Government to Manuel Roxas (the first president of the Republic) to Ferdinand Marcos—had come under attack for abuse or excessive use of power. They had inspired varying degrees of fear of abuse of power.

But President Aquino is altogether a different political creature. She is reluctant to use the vast powers of the presidency even to defend the state and the democratic system from their enemies, and has refused to tap constitutional reservoirs to gain initiatives for economic, political and social change.

She considers power as something loathesome like a contagious disease, and because of this reluctance to utilize fully the powers of the presidency, she has crated a political vacuum that has seduced aggressive political groups—including the putschist RAM [Reform the Armed Forces Movement]—seeking to fill the void by illegal and violent intervention.

The sterile debate today over whether Congress should extend President Aquino's emergency powers demonstrates the power paralysis. The issue is not that Congress is afraid that broadening such powers would be abused. The argument rather is that there are enough powers already residing in her office, and she is being nagged to use them. In the previous presidencies, the debate was over restraining the President from abusing his powers because Congress was jealous that excessive presidential powers could dislocate the political equilibrium between the two central seats of state power—the presidency and the legislature.

What makes the current debate over extension of emergency powers by Congress sterile is that there is a great deal of hair-splitting over the thrust of such powers—political or economic. the crisis gripping the Aquino government and the constitutional system it has restored is political. Basically, emergency powers are weapons to defend the state from attack—like the coup d'etat—and any approach that seeks to use them to solve economic problems is misdirected and indicates wrong priorities. the Aquino government is misleading itself if its comprehension of emergency powers is to use them to alleviate electricity and water shortages or to seize cement plants to end the cement shortage. The President is using the wrong weapons to attack these problems and there are enough powers invested in the presidency to enable her to solved them effectively without seeking extraordinary powers.

The emergency powers legislated by Congress following the collapse of last December's coup were meant "to optimize the efforts of the presidency to carry out the difficult task of economic reconstruction." This economic function of RA[Republic Act]6826 indicates a wrong focus and renders the emergency powers wasted in President Aquino's hands. These powers would have been better used in rooting out the networks of the coupmakers. It was only in recent weeks that the government has decided to take the initiative in harassing the coup leaders. The arrest of coup leaders indicates that the conspiracy ring is on the run. This is a correct strategy to prevent another coup. Classic textbook studies emphatically say that coup plots have a chance of success if the conspirators are allowed time to contact and organize elements in the armed forces for support. In all the six coup attempts, the government had waited for the next coup to strike and had never taken the initiative.

The fact that the government took too long to realize that it had to seize the initiative reflects the clumsy and arthritic reflexes of the Aquino presidency. The power paralysis of this presidency has its roots in Mrs Aquino's conception of the powers of her office. Her conception of power is that once the main political institutions such as free elections, Congress, an independent judiciary and the free press have been restored, these institutions could create their own magic and dynamics of checks and balances that would ensure the success of political democracy with the minimum of intervention from the chief executive. Her vision of the presidency is that of a figurehead.

Unfortunately, this conception contravenes the political tradition of a strong interventionist presidency and the expectations of the Filipinos from their President. The Filipinos—including members of the armed forces—expect to be told what to do and to be ordered, especially the soldiers, by their constitutional commander-in-chief. They despise leaders who punish mutinous soldiers with 30 pushups.

The presidency as the central political institution in this country was built on the concept of a strong central government headed by an executive vested with vast posts. In the framing of the 1935 Constitution, under the aegis of American colonial administration, the Filipino founding fathers did not imitate the diffused power structure of the American presidency elected in the context of a federal structure. The founding fathers departed from the American model and derived inspiration from their own political experience and traditions that contain strong elements of authoritarianism.

This tradition was best described by Claro Recto, the president of the 1934 Constitutional Convention. His remarks are worth repeating:

"During the debate on Executive Power it was almost unanimous opinion that we have invested the Executive with rather extraordinary prerogatives. There is much truth in this assertion. But it is because we cannot be insensible to the events that are transpiring around... we have seen how dictatorships, whether black or red, capitalistic or proletarian, fascistic or communistic, ancient or modern, have served as the last refuge of peoples when their parliaments fail and they are already to save themselves from misgovernment and chaos. Learning our lesson from this truth of history, and determined to spare our people the evils of dictatorship and anarchy, we have thought prudent to establish an executive power which, subject to the fiscalization of the Assembly, and of public opinion, will not only know how to govern, but will actually govern with a firm and steady hand, unembarrassed by vexatious interference by other departments, or by unholy alliances with this and that social group. Thus, possessed with the necessary gifts of honesty and competence, this Executive will be able to give his people an orderly and progressive government, without need of usurping or abdicating powers, and cunning subterfuge will not avail to extenuate his failures before the bar of public opinion."

If one were to compare carefully the 1935 Constitution with the 1986 Constitution, one would find that essentially the concept of a strong presidency with concentration of powers in the Executive has been preserved in the Aquino Constitution. Only, we have a President with the wrong attitude of power at the helm. The levers are aching to be used.

Aquino Views Leftist-Rightist Rebel Alliance

HK0705031590 Quezon City Radyo ng Bayan in Tagalog 1300 GMT 6 May 90

[Recorded statement by President Corazon C. Aquino from "Ask the President" program; date and place not given—italicized portion in English]

[Text] Last week, yet another leader of the aborted coup d'etat fell into the hands of our Armed Forces. I congratulate the Armed Forces for the capture of Lieutenant Colonel Jake Malajakan. Again, this a proof of the strong cooperation between the people and our Armed Forces.

The arrests of Malajakan and Captain Leovic Dioneda bring to 33 the number of coup plotters. Many have noted that at the time of his arrest, Malajakan raised his arms and shouted: Revolution. This is disturbing to many people because it appears that Malajakan's group is confused in so far as ideology is concerned. His salute and shout is ostensibly Marxist, which is why many are wondering if these misguided elements have joined forces with the dwindling communist movement.

We still have no concrete proof pointing to the joining of forces of these two groups. However, there are a few things we should understand about them. First of all, it is not impossible for the forces seeking to wrest away our freedom and democracy from the people to join forces. A thorough study will show us that both of them share the same objective: To establish a dictatorship after seizing power through violence. Secondly, it is sad that Malajakan's group has to borrow an ideology. It indicates that when they began to sow trouble, they had no idea of what they were fighting for. *It is sad that these misguided elements are suffering from an ideological identity crisis. This reality reduces their activities to nothing more than hunger for power.*

Aquino Denies Pullout by Foreign Investors

HK0705031990 Quezon City Radyo ng Bayan in Tagalog 1300 GMT 6 May 90

[Recorded statement by President Corazon C. Aquino from "Ask the President" program—date and place not given]

[Text] It is disturbing to learn that some of our countrymen are taking advantage of our present condition. They are exploiting our people's patience by spreading lies designed to undermine the cooperation between the government and the people. These lies include rumors that some foreign investors plan to withdraw from our country because of the power situation. This is a blatant lie. It is clear to legitimate foreign investors that our current predicament is a temporary one. Meanwhile, their participation in the development of our economy is a long-term project. It appears that they have more faith in us than those rumormongers. If these foreign investors were not scared off by the aborted coup, why should they be daunted by temporary brownouts?

In fact, despite of the aborted coup, the number of foreign investors went up. For the first three months of the year, foreign investments totalled almost 29 billion pesos, compared to 24.8 billion pesos in the same period last year, thus representing an increase of 14.5 percent in foreign investments.

I warn those trying to take advantage of our people's sufferings. It is clear to one and all that this is a time for cooperation and not for the spreading of lies and falsehoods which will only victimize our people. Let us not be deceived by these people who are bordering on desperation. We have succeeded before. No one can stop us from succeeding again this time.

Workers Urged To Ignore Destabilizing Forces

HK0705045590 Baguio City Mountain Province Broadcasting Company in English 0400 GMT 6 May 90

[Text] Malacanang has appealed to organized labor groups not to allow themselves to be used as tools of certain elements out to destabilize the government through violent strikes and demonstrations. Press Secretary Tomas Gomez made the appeal as militant labor groups threatened to stage a massive strike next week if their demand for wage increase is not granted.

Gomez said the government can quell any violent demonstrations, adding that he believes the leaders of various labor groups are responsible gentlemen. Gomez emphasized that the government continues to uphold the right of workers to stage demonstrations as long as they are within the law.

Malacanang Expresses Support for Biazon

HK0705095190 Quezon City MALAYA in English 6 May 90 pp 1, 2

[By Romy Tangbawan, Desiree Carlos, and Manny Velasco]

[Text] Malacanang yesterday expressed confidence in the integrity of Maj. Gen. Rodolfo Biazon, Armed Forces vice chief of staff, who has been criticized by retired generals for alleged disloyalty to the Constitution and unfit for office.

Press Secretary Tomas Gomez III said that it is most unfair to attack Biazon since he rose from the ranks on his own.

This developed as:

—President Aquino announced that the government will deputize people's organizations, volunteers and local government units to fight coups, bring rebels and criminals to justice, and help in economic reconstruction.

—Justice Secretary Franklin Drilon said that agents of the National Bureau of Investigation [NBI] have been tapped to help local police and military operatives in the provinces in the manhunt for suspected coup plotters, including cashiered Lt. Col. Gregorio Honasan, who have been charged in court.

—An Air Force colonel and 17 other soldiers convicted of rebellion in connection with the January 1987 failed coup were transferred to the National Pentientiary in Muntinglupa. This brings to 60 the number of detained and convicted soldiers transferred to the maximum security area of the National Penitentiary.

Six retired generals and a commodore have written President Aquino questioning Biazon's loyalty to the Constitution and fitness in discharging his duties. The letter was reportedly signed by Lt. Gen. (ret.) Jesus Vargas, Brig. Gen. Manuel Flores, Brig. Gen. Eugenio Acab, Brig. Gen. Francisco Adriano, Brig. Gen. Simplicio Rivera, Brig. Gen. Luis Villa-Real, and Commodore Remo Lavadia.

Biazon is acting AFP [Armed Forces of the Philippines] chief of staff in the absence of AFP chief Gen. Renato de Villa, who left for the U.S.

"Imbes na Atakihin 'yan [Instead of assailing him], he should be made a role model, both as son and as a father. He's devoted to his family," Gomez said. He said that Biazon is unlike most men who entered the Philippine Military Academy through recommendations of congressmen or influential "padrinos." Noting the humble beginnings of Biazon, the son of a baker from Pasay City, Gomez said: "In a society where privilege seeking is very ripe, a man who rises that way is truly admirable."

Malacanang also called on the public to disregard reports that former Capcom [Capital Command] chief Brig. Gen. Alexander Aguirre and Coast Guard chief Commodore Pio Garrido are now sympathetic to rebel soldiers. Reports have it that Aguirre, now AFP deputy chief of staff, was disappointed when he was not named chief of the PC-INP [Philippine Constabulary/Integrated National Police] while Garrido is supposedly disgruntled for not being picked as Navy chief although he is senior to Rear Admiral Mariano Dumancas.

Gomez said these reports are mere "pakulo and tsismis [gimmick and gossip]" being passed off by rumor mongers as "intelligence reports." He said the political intrigues the government is suffering now is the handiwork not of the leftists but of the "ultra rightist elements in our society who are engaging in destructive opposition." He was referring to the Reform the Armed Forces Movement of cashiered Lt. Col. Gregorio Honasan and his allies.

Mrs Aquino in National Emergency Memorandum Order [NEMO] No. 19 said people's organizations will be called upon to assist government exercise its emergency powers through the monitoring or implementation of orders, rules and regulations. The NEMO said the government needs the people's participation in bringing to court persons responsible for the failed December putsch, as well as those who have taken advantage of the confusion during that time of national emergency.

NEMO No. 19 instructed Cabinet secretaries and agency heads to provide for the orderly deputization, terms and identification of their deputized agencies. Trade Secretary Jose Concepcion said he will issue the necessary rules to deputize the People's Economic Councils and Bantay—Bilihin Citizens Volunteer Network which will both help enforce laws on price and supply stabilization or prime commodities, especially cement.

Brilon said the manhunt for putschists has been intensified to show that the government is serious in its campaign against lawlessness and violence "which are characteristic of rightist elements who are out to grab power." Included in the "manhunt" list are Honasan; former Brig. Gen. Jose Zumel; former Customs intelligence chief, Lt. Col. Billy Bibit; former Assemblyman Homobono Adaza; and newsman Cecilio Arillo. All of them have been charged with rebellion complexed with murder and frustrated murder, either as a leader or participant in the December coup.

Senior State Prosecutor Aurelio Trampe said Zumel is believed to be still in Mindanao. He added that Zumel was last spotted in Davao City on April 12. He (Zumel) was about to be arrested by the local police but the "slippery fugitive general" escaped the police dragnet, Trampe added.

There are conflicting reports on the whereabouts of Adaza. Drilon said he is in Metro Manila and is "area-hopping" while an NBI official said Adaza has joined former Presidential Security Group chief Col Alexander Noble in a rebel training camp in Mindanao.

The convicted rebel soldiers led by Lt. Col. Oscar Canlas of the Philippine Air Force were brought to the National Penitentiary under heavy escort, including hundreds of soldiers in patrol cars, military jeeps, motorcycles and helicopter gunships.

Also transferred were Maj. David Ananias, Maj. Delfin Ginio, 1Lt [First Leiutenant] Tito Bayango, M/Sgt [Master Sergeant] Rogelio Tolentino, S/Sgt [Staff Sergeant] Nestor Domingo, T/Sgt [Technical Sergeant] Orlando Prado, T/Sgt Antonio Ramos, T/Sgt Raymundo Gawat, S/Sgt Modesto Tranco Sgt Robert Pada, Sgt Rodolfo Edguid, C1C [Constable 1st Class] Manuel Salina, C1C Edgar Pasion, C2C [Constable 2d Class] Frisco Abero, C2C Oscar Castro, C2C Joselito Nono and Constable region Reyes, all of the PC.

Nazareno Orders Arrest of Gun-Carrying Civilians

HK0705020990 Manila Far East Broadcasting Company in English 2300 GMT 6 May 90

[Text] Constabulary Chief Major General Cesar Nazareno ordered the immediate arrest of all civilians possessing and carrying firearms even with memorandum receipts and mission orders issued by military and police commanders in the country. Nazareno issued the directive as he warned all the country's PC-INP [Philippine Constabulary-Integrated National Police] field commanders to stop granting firearms to civilians. He said that constabulary and police commanders found guilty of violating his order would be immediately dismissed from the service. Under the Constitution it is only the Constabulary chief who is authorized to issue licenses and permits to carry firearms outside their residence to qualified civilians. However, the Constabulary chief authorized effective this month the PC-INP regional commanders to approve applications for documents in his behalf. Nazareno added that some AFP [Armed Forces of the Philippines] unit commanders in Mindanao have been issuing permits to their civilian friends.

Official Says Many Coup Participants at Large

HK0505091290 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 5 May 90

[Text] Speaking in an interview at the Makati Intercontinental Hotel, Brigadier General Mariano Filart, new Capital Regional Command [Capcom] chief, announced today that many soldiers involved in the last bloody coup attempt are still on AWOL [absent without official leave] and have the ability to launch a terrorist campaign in the country. However, Filart quickly added that the military is prepared at all times to cope with such a threat. He admitted that the military was taken by surprise by rebel soldiers last December as the mutineers were able to enter Makati. This cannot happen again, he asserted.

Filart also gave assurance that no coup will take place now nor in the near future, claiming that the rebel soldiers no longer have the capability to launch a new coup. He said that the government continues to hunt for the AWOL soldiers in order to foil their sinister plans. Filart also asserted that the city of Makati or any other part of the country shall not become hostage of the enemies again.

In the same interview, Filart announced that the Capcom has introduced steps to deal with car thefts in Metro Manila. He said that it has deployed teams in various parts of Metro Manila in order to respond promptly to car theft complaints.

Convicted Coup Plotters Moved to New Prison

HK0705050190 Baguio City Mountain Province Broadcasting Company in English 0400 GMT 6 May 90

[Text] At least 57 convicted coup plotters involved in the 1987 coup attempt were transferred yesterday from the military detention center to the national penitentiary in Muntinlupa under heavy military escort. The prisoners came from the stockades of Camp Crame, Fort Bonifacio, Villamor Air Base and Navy prisons.

Two Philippine Air Force Huey helicopters armed with machine guns closely watched the convoys escorted by armored vehicles and military trucks with heavily-armed soldiers on board. The military could not take any chances of any attempt by military rebels to stage a rescue by deploying hundreds of troops along E. de los Santos Avenue and South Superhighway.

Communists Urged To Abandon Armed Struggle

HK0405123390 Quezon City Sports Radio 738 in English 1100 GMT 4 May 90

[By Jeng del Mundo]

[Text] Brigadier General Ramberto Saavedra, commanding general of the Civil Relations Service of the Armed Forces of the Philippines, today appealed to the CPP-NPA-NDF [Communist Party of the Philippines-New People's Army-National Democratic Front] to abandon their armed struggle even as he disclosed the worldwide communist crime operations to support its revolutionary activities in the Philippines. Their operation, dubbed as Operation DJ, Dirty Job, was uncovered when the military intelligence successfully decoded computer files seized from suspected CPP member Antonio Cabardo, who was arrested upon his arrival from Europe last April 9. Operation Dirty Job was conceived by the CPP Central Committee headed by Jose Maria Sison last April 1987 in line with the party's policy to engage in criminal activities to make up for the dwindling support coming from other fraternal organizations abroad.

Saavedra also disclosed that counterfeiting of foreign denominations, particularly the U.S. dollar, was only a part of an elaborate CPP operation abroad. The discovery of the activities of the CPP-NPA-NDF has created a scandal within the party when Jose Maria Sison denied any knowledge about the operation and blamed the international liaison group instead.

Aklan Mayor Killed by Suspected NPA Rebels

HK0505091690 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 5 May 90

[Text] A group of armed men suspected to be New People's Army rebels ambushed and killed a mayor in Aklan Province. The incident took place at dawn today [5 May] in the province.

Based on report reaching Camp Aguinaldo, the victim was identified as Mayor Roger Aguirre of Malaya, Aklan. Investigations showed that the crime occurred at 0130 early this morning while the victim was riding in his car and passing through Barangay Aragao, Malaya. Armed men showered the car with bullets, killing the mayor instantly.

Elements of the 313th Philippine Constabulary Company and 47th Infantry Battalion are presently on a pursuit mission for the assassins. An investigation is also underway.

NPA Leader Urges 'Balanced Reporting'

HK0705093790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 7 May 90

[By Benjie de Galicia]

[Text] Leopoldo Mabilangan, alias Comrade Hector of the Banahaw Command of the New People's Army [NPA], strongly denied earlier reports by Regional Command 4 headquarters that he used movement funds to build and furnish a house in Lucena City. Mabilangan maintained that the report was totally false and also denied that his movement receives bribe money from operators of small-town lotteries. However, he did admit receiving revolutionary taxes from landlords and big factory owners in Southern Tagalog.

Comrade Hector also refuted a statement by provincial commander Colonel Reynaldo Wycoco that the NPA forces in Quezon were weakening. On the contrary, he claimed that they are gaining strength and are preparing for the highest level of struggle in order to end the sufferings of the people and introduce genuine change to the nation. At the same time, he asked the media, particularly in Lucena City, to report the situation in the country truthfully, notably on the issue of the the insurgency.

[Begin Comrade Hector recording] I am appealing to the Filipino people, and to the media people here in Lucena and around the country, to carefully study the situation in the country. The Filipino people continue to suffer. The media should examine carefully the statements issued by the military and aim for balanced reporting. That is our request. [end recording]

Government Takes 'New Tack' With Negros Rebels

HK0905093390 Manila THE MANILA TIMES in English 8 May 90 p 3

[By Lou Palpa-Latoc]

[Text] Bacolod City—After failing to crush the communist rebels with war and words, the Aquino government is taking a new tack with the homegrown insurgency here that banks heavily on using infrastructures as a counterinsurgency tool.

Public Works Secretary Fiorello Estuar said during his visit here over the weekend that government will pour in money for infrastructure projects in the province in a bid to win back the hearts and minds of the rebels and their sympathizers who have been waging an 18-year-old guerrilla war based on grievances that feed on the age-old feudal system of land ownership and means of production here. Negros Occidental is among the provinces that have received the biggest slices of the infrastructure budget this year.

Government hopes to build with P[pesos]294.3 million 171 kilometers of roads, 442 school buildings, 24 flood control structures, 1,197 units of water supply facilities and six bridges.

Big Chance

It's logic is that by answering the people's basic needs, the government has "a big chance" of weaning them away from the communist ideology and paving the way for their return to the fold of the law.

DPWH [Department of Public Works and HIghways] District Engineer Rogelio Tongson of Bacolod City told the TIMES it was "high time" for the administration to abandon its militaristic approach to the insurgency problem. "We have already experienced under the past dictatorship that war only resulted in unnecessary destruction of properties and loss of lives, including children," he observed.

Food, Not War

Government should start understanding, he said, that the rebels' battlecry was "not war but food, land and justice," Tongson added.

The DPWH official said the influx of infrastructure projects here will help improve the peace and order situation. It could also improve the people's standard of living. New roads, especially in the hinterlands, would allow residents to transport their products to the market and thereby lessen their production cost.

Providing or upgrading potable water facilities in each barangay—whether or not it was communist-infested—will help the people see that the government was responding to their needs, Tongson said.

Delayed

Regional Director Ernesto Silvela of Region VI lamented that some infrastructure projects have been either delayed or abandoned due to intense fighting between rebels and government troops in some areas in the sugar province. To avoid unnecessary delay in the completion of projects, projects in war zones must be turned over to the engineering brigade of the Armed Forces, he said. Department officials can also grant projects through negotiated contracts to "brave contractors" willing to take on the project despite the threats from both sides. The plans, however, are only as good as the funds that will start them.

Silvela complained that there was too much delay in the release of funds.

Aquino Approves 92 Support Fund Projects

HK0705104190 Manila MANILA BULLETIN in English 7 May 90 p 11

[Text] President Aquino has approved the immediate implementation of 92 projects to be financed through the Economic Support Fund (ESF) to boost economic development in the countryside.

Lino P. Aldovino, ESF secretariat executive director, said the projects to be funded are 52 high school buildings costing P[pesos]260 million; barangay and farm-to-market roads, P72 million; public markets, P238 million; health centers, P23 million, and four other projects, P20 million.

Aldovino said the school buildings to be built are aimed at strengthening the quality of education in barangay, agro-industrial, and fishery schools. He added that the new school buildings are apart from the 93 science school buildings which the secretariat is implementing in time for school year 1990-1991.

Meanwhile, Rawlinson Dimayuga, deputy executive director, reiterated the rational and equitable fund allocation policy of the secretariat on the ESF.

He said that proposed projects for ESF financing are adequately scrutinized and evaluated by concerned Regional Development Councils (RDCs) and the National Economic and Development Authority (NEDA) before they are endorsed to the Office of the President for approval.

Dimayuga said the secretariat, other than funding projects, monitors the development and implementation of approved projects.

Organized Labor Temporarily Shelves Mass Action

HK0705101790 Manila MANILA BULLETIN in English 6 May 90 pp 1, 14

[By E.T. Suarez]

[Text] Organized labor said yesterday it has temporarily shelved plans for any mass action to press its demand for a new increase in the minimum wage, saying it will exhaust all peaceful means before resorting to protests that could culminate in a "Welgang Bayan" (general strike).

This developed as the 1.2 million-strong Trade Union Congress of the Philippines (TUCP) firmed up its demand for a P [pesos] 30 across-the-board daily wage hike for all workers and the Kilusang Mayo Uno (KMU) [1 May Movement], with more than 700,000 members, pushed for P23.

Labor leaders said they will first wait for the result of the national tripartite congress in Tagaytay City on May

11-12 and the outcome of their representation with members of the Senate and the House of Representatives on the need to raise the minimum wage on the national level because of the rising cost of living and high inflation rate before formulating any mass action plan.

The two-day national tripartite congress will have representatives from the government, management, and the labor sector. It aims to set up mechanisms for a peaceful and harmonious labor relations leading to more investments, enhanced productivity, increased workers' benefits, and economic growth.

Avelino Valerio, TUCP vice president, said the labor sector plans to raise the issue during the tripartite congress, pointing out that the earlier the issue is resolved, the better.

Valerio expressed the hope that management, although it is always averse to any new wage increase, will agree to an objective discussion of the issue in as much as increased wages are also an incentive for increased productivity. "All other things being equal, higher wages will result in increased productivity, higher proficiency, and improved performance," he pointed out. He said studies made by Cedric Bagtas, TUCP assistant general secretary, showed that workers' wages constitute only about five to 10 percent of the production cost, so that even if a 30-percent increase in wages is granted across-the-board, total production cost will rise no higher than 1.5-3.0 percentage points.

The Employers Confederation of the Philippines (ECOP) and the Philippine Chamber of Commerce and Industry (PCCI) which threatened not to participate in the coming tripartite congress if the wage issue is brought up, said they are not against wage increases but these must be effected not through legislation but by a decision of the Regional Tripartite Wages and Productivity Commission.

Aurelio Periquet, PCCI president and ECOP chairman, said labor should exercise prudence and abide by the decisions of the regional wage and productivity boards.

"Government is also called upon to exercise fiscal restraint and study ways and means of containing inflation and reducing prices to increase the purchasing power of the workers," Periquet said. "Productivity must be improved and supply bottlenecks must be eliminated to make basic goods available at reduced prices."

Raoul M. Inocentes former labor undersecretary and ECOP president, stressed that under Republic Act 6727, the Rationalization Law, Congress delegated the power to fix wages in the private sector to the regional boards which were empowered to adjust wages on a regional and industry basis, whose determination is subject to review by the National Wage and Productivity Commission (NWPC). Inocentes said the NWPC and the Regional Tripartite Wage and Productivity Boards (RTWPB) are the appropriate venues for the determination of wage levels in the private sector.

1989 Economic Growth Reported at 5.7 Percent

HK0705052590 Manila BUSINESS WORLD in English 7 May 90 pp 1, 5

[By Alex B. Reyes]

[Text] The Philippine economy in 1989 grew by 5.67% in real terms, revised estimates from the National Statistical Coordination Board showed [NSCB]. The revised data confirmed earlier forecasts that the preliminary GNP growth estimate of 5.55% announced in January would be upwardly revised.

In monetary terms, 1989 real GNP stood at P[pesos]106.830 billion from the 1988 figure of P101.093 billion. The estimates use 1972 as the base year.

Compared to the previous year when the economy expanded at a robust 6.75%, the 1989 GNP growth rate is lower by 1.08 percentage points. Slower growth in exports and investments on the demand side, as well as capacity constraints and supply bottlenecks, accounted for the overall economic slowdown.

The estimated growth in Gross Domestic Product was adjusted downwards to 5.61% from the original estimate of 5.98%. At constant prices, GDP was P107.143 billion in 1989 from P101.450 billion in 1988.

If valued at current market prices, total production of the Philippine economy almost broke the trillion peso mark, reaching P961.376 billion, from P822.870 billion in 1988.

With GNP growth of 5.67%, and an estimated population growth of 2.34%, the NSCB said the growth in per capita income was 3.26% or P1,778 for every Filipino.

Demand Side

On the demand side, personal consumption expenditures continued to provide the main stimulus to the economy as it accounted for 73.88% of total expenditures, growing by 5.74%.

Government consumption grew by 10.09% as it accounted for 9.70% of GNP, up marginally from 9.31% of GNP in 1988.

A sign that economic recovery has shifted a little bit more to investment-led growth is shown by the greater share of investments to GNP, from 15.75% in 1988 to 17.11% in 1989.

Although posting the highest growth rates on the expenditure side, investments suffered an apparent slowdown as it grew by 14.80%, down from 17.33% the previous year.

Exports, which were 27.30% of GNP, grew by only 8.30%, almost half the 1988 growth rate of 15.86%.

Imports continued to pour in at a fast rate, surging by 27.27%, a bit slower than the previous year's 33.44% growth.

Supply side

On the supply side, the industry sector posted the highest growth rate as it grew 6.91%. The industry sector comprises 33.26% of GNP. Within the industry sector, the construction subsector had the highest growth, posting a 13.88% expansion from the previous year. This was followed by the electric, gas and water subsector, which grew by 7.12%, and the manufacturing subsector, with a growth of 6.35%. Mining and quarrying was the only industry subsector to post a negative growth rate, contracting by 3.22%.

The combined agriculture, fishery and forestry sector, accounting for 27.13% of GNP, grew 4.29%, higher than the 3.57% expansion in 1988. The 4.61% growth in the agriculture and fishery subsectors, of which the sugar, livestock and poultry industries grew the strongest, offset the 8.27% decline in the forestry subsector.

The service sector, 39.90% of the economy, grew 5.45%, down slightly from the 6.26% posted in 1988. The most dynamic service subsector was finance and housing, where gross value added grew 9.49%.

Reflecting budgetary constraints, Government services subsector grew by only 3.46%, down from the 9.57% expansion a year ago.

2.6% Rise Reported in Jan-Apr Agriculture

HK0405045590 Manila BUSINESS WORLD in English 4 May 90 p 1, 7

[By Arnold E. Belleza]

[Text] The total value of agricultural output for the first quarter this year amounted to P [pesos] 5.1 billion, exceeding by 2.6% the year-ago level of P4.98 billion, at constant 1985 prices.

At current prices, agriculture posted an 11.5% increase, from P6.27 billion to P6.98 billion. Volume-wise, this translated into a total yield of 23.8 million metric tons, an increase of 9.3% from last year's 21.7 million metric tons.

In a report to Agriculture Secretary Senen C. Bacani, Bureau of Agricultural Statistics (BAS) director Generoso de Guzman said the "creditable real growth" was posted despite the damaged caused by the drought and carry-over effects of last year's typhoons.

However, the country's rice and corn production suffered drastic drops of 10.7% and 14.0%, respectively, for the first quarter of 1990, according to figures released by BAS. The plunge in rice and corn production raised the possibility of further rice and corn importation. Department of Agriculture (DA) sources say the prolonged drought is taking a heavy toll on grains production. An additional round of imports could mean exceeding the record set in 1985 of 519,000 metric tons of rice.

Obviously, importation estimates set last year by the DA at 400,000 metric tons for the first half of the year might not have adequately taken into account the drought's effect on agricultural production.

DA sources say that actual production levels for the coming months, especially during the July-September period, will determine whether or not the country will resort to this move.

The 1985 record was set in anticipation of the 1986 elections, rice being a "political" commodity.

Despite the drop in rice and corn, overall production levels for agricultural crops increased by 9.4% due mainly to increases in crops relatively unaffected by the drought. Sugarcane production increased by a substantial 20% while other agricultural crops like banana and coconut had modest increases of 3% and 2.2%, respectively. Improved prices of sugar, particularly in the world market, have encouraged increased production of the commodity.

Another crop seemingly hard hit by the dry season was abaca which reported a production drop of -25%.

But non-crop products like poultry (13.5%), livestock (9.3%) and fishery (4.2%) posted substantial production increases due to the drought's relatively low impact on the sector. Poultry production for the first quarter amounted to 185,150 metric tons valued at P5.14 billion, livestock at 321,040 metric tons valued at P4.54 billion while the fishery subsector grossed 593,000 metric tons worth P8.64 billion.

The DA source said production levels for livestock and poultry have risen due to the higher demand resulting, in turn, from the increased purchasing power of the Filipino consumer.

Thailand

Reaction to Sihanouk's Announcement Reported

Chawalit, Spokesman Comment

BK0905021190 Bangkok BANGKOK POST in English 9 May 90 p 2

[Text] The Thai Government is "slightly" disappointed at Prince Norodom Sihanouk's decision not to attend peace talks with Phnom Penh Premier Hun Sen in Tokyo next month, Government spokesman Suwit Yotmani said yesterday. Mr Suwit stated the Thai response yesterday when asked what was Prime Minister Chatchai Chunhawan's reaction to the prince's announcement.

At the same time Defence Minister Chawalit Yongchaiyut said the resistance would be placed in a disadvantageous position as a result of the prince's decision to take a "long leave of absence" as Cambodian resistance leader.

Mr Suwit said Gen [General] Chatchai was still waiting for an explanation of the prince's decision not to join the peace talks scheduled for the first week of June. The Government, he said, was "slightly disappointed" because it had been made clear in previous discussions that the prince would attend the Tokyo talks. The spokesman said the Government still hoped the prince would change his mind.

Meanwhile, Gen Chawalit told the BANGKOK POST yesterday that the prince was a symbol of the Cambodian people. He said the three resistance factions would be in a disadvantaged position. If their leader refused to lead them, they would face considerable problems.

Gen Chawalit said, however, that the prince's decision would not have that much impact on the fighting in general or change the number of forces fighting on the ground.

The Defence Minister said he still had to check the real reason for the prince's decision. Gen Chawalit said he did not think the prince made his announcement because of a conflict with other countries or a conflict among the resistance groups themselves.

The prince's announcement might have been a personal decision to remove himself from all conflicts and devote himself to his country and people.

Gen Chawalit said he had already enquired about the reason behind the prince's announcement but had not yet received any report back. He expected a clearer picture within one to two days.

Prince Sihanouk, who is in Beijing, is scheduled to return to Bangkok on May 16.

Gen Chawalit added that he had already consulted Gen Chatchai on the prince's announcement.

Chatchai Interviewed on Sihanouk

BK0905081590 Bangkok Domestic Service in Thai 0530 GMT 9 May 90

[Interview with Prime Minister General Chatchai Chunhawan by unidentified reporters at Government House on 9 May—recorded]

[Text] [Chatchai] I guess Prince Sihanouk may have felt that political maneuvers are fairly complicated and difficult. So, he has shifted to the development and reconstruction of Cambodia instead. He indicated that he is taking a leave of absence as president. He is taking leave, and not resigning. He said that he would be on leave [preceding words in English].

[Reporter] He said that he has been trying for 11 years and that he is old now.

[Chatchai] He will concentrate on the reconstruction of Cambodia. At present, Japan is chairman of the third group, in other words, the third subcommittee, in charge of rehabilitation and reconstruction. This is exactly what he has wished for. He can, therefore, instead of politics, discuss this when he goes to Japan. He can ignore politics and discuss the reconstruction and rehabilitation of Cambodia.

[Reporter] But he said that he will not go to Japan.

[Chatchai] Well, it is up to him. I do not know what is in his mind. Anyway, Japan is the leader of the group of countries in charge of this area, and Japan is ready to offer assistance to Cambodia.

[Reporter] Is this due to the failure of talks between Vietnam and China?

[Chatchai] I don't know about that. Anyway, I think there is still a lot of time ahead and the prince may change his mind again. [laughter]

[Reporter] Are you going to attend the meeting in Tokyo?

[Chatchai] Well it depends on whether there will be a meeting... But I am not attending because I have nothing to do with it. [as heard]

[Reporter] [Words indistinct] Prince Sihanouk?

[Chatchai] I don't know. But if it is about the rehabilitation of Cambodia, then he should attend the meeting because Japan is the chairman of the group.

[Reporter] Has he given any explanation?

[Chatchai] Not yet. I only know that he said he would like to give up politics and concentrate on national rehabilitation and reconstruction because political maneuvering is too complicated.

[Reporter] Will this cause any deadlock to the talks?

[Chatchai] No. This is a separate issue. It is up to him to bring up what he would like for the talks. He can raise the question of national rehabilitation.

[Reporter] Will there be any clarification meeting?

[Chatchai] Well, I am waiting for a clarification. It is still unclear to me.

[Reporter] If he comes back...

[Chatchai] I don't know. If he comes back, we would have a chance to ask him.

[Reporter] If there is no meeting in Japan, what would be the next step to take?

[Chatchai] Well, I don't know. We expect that there will be a meeting of senior officials first on 17 May. There are still many more days until then.

Chatchai To Work for 'Draconian' Antidrug Law

BK0905030790 Bangkok THE NATION in English 9 May 90 p 1

[Text] Prime Minister Chatchai Chunhawan will try to push through a draconian anti-narcotics bill which proposes to impose tough measures against drug traffickers before he meets US President George Bush as a bargaining tool to seek a five-year postponement of the enactment of an intellectual property protection law in Thailand.

Meanwhile, the long drawn-out negotiations between the two countries on a double taxation avoidance treaty appear to have been wrapped up and the agreement may be signed before the end of this year, according to informed sources. It is not clear whether the tax issue will be raised during the premier's visit to Washington next month. But sources said the discussions between the two countries have produced positive results.

The premier is due to visit the United States during June 11-17. The revised bill to mete out more stringent punishments against drug traffickers contains a new clause which will empower law-enforcement officials to confiscate drug-traffickers' assets. American officials have been urging Thailand to adopt asset seizure legislation to deal with major drug traffickers.

A newspaper columnist, writing in today's edition of the mass-circulation THAI RATH, said the premier told him that the government will try to get the new anti-drug bill passed before he flies to Washington to hold talks with Bush in the middle of next month.

A group of senior editors from the newspaper last week met the prime minister for a private chit-chat.

Gen [General] Chatchai was quoted as saying that he will inform Bush that with Thailand demonstrating a clear determination to crack down on the flow of narcotics from the Golden Triangle through Thailand to the US, the American president should in turn help Thailand by postponing for five years the requirement that Thailand must legislate proper protection of intellectual properties.

The draft anti-drug legislation was approved by the Cabinet last week and is expected to be put before Parliament during the current three-month parliamentary session.

The bill will allow the seizure of suspects' property obtained in the previous two years unless there is proof it was acquired through legal means. The plan is in line with assets forfeiture laws used against drug cartels in other countries and advocated by the US Drug Enforcement Administration and the United Nations in international fight against the drug trade.

The columnist, Typhoon, wrote: "The prime minister told me that he will tell President Bush that Thailand has yet to reach the status of a newly industrialized country (NIC). Therefore, Washington should sympathize with Thailand's request to defer the deadline for Thailand to come up with legislation to ensure the protection of intellectual rights. The fact that Thailand will seriously tackle the drug problem through the new, get-tough law should also help ease the pressure on Thailand on this score."

The prime minister was quoted as saying that he is busier with the preparations for the visit to the United States than for the upcoming no-confidence debate in the House which has tentatively been scheduled for June 6-7, about four days before Gen Chatchai embarks on his visit to the US, which had been postponed from last October. The last visit was cancelled after Typhoon Gay wreaked havoc in the South just as the premier was to begin his visit to America.

The opposition has yet to submit the motion seeking the censure debate. It plans to hand in the motion in the next two weeks, seeking to take to task the entire Cabinet instead of individual Cabinet members.

Authorities Order Burmese Refugees Repatriated

BK0905124590 Hong Kong AFP in English 1230 GMT 5 May 90

[By Michael Adler]

[Text] Bangkok, May 9 (AFP)—Thai authorities ordered about 60 Burmese refugees, half of them students under U.N. review, back to Burma in an apparent case of forced repatriation, diplomatic sources said here Wednesday [9 May]. But the refugees managed to escape to a Thai island and some are trying to work their way back to Bangkok, the diplomatic sources and sources close to the students said.

Thailand has repatriated some 3,000 Burmese refugees in various programs but says they all went back voluntarily. Observers said however that some refugees sent back earlier had gone against their will.

Immigration officials in Ranong, where the sources said the 60 Burmese were put on four boats by Thai authorities May 4, said they had not heard anything about repatriations. There was no official Thai comment on the matter.

The southwest Thai province of Ranong is just across an estuary from the Burmese port city of Victoria Point.

The 60 refugees included 33 students with letters of concern from the office here of the U.N. High Commissioner for Refugees (UNHCR), student sources said. The letters indicated that the UNHCR was looking into their situation. The UNHCR, which diplomatic sources said was negotiating with Thai officials, refused to comment.

The incident reflects growing concern here over some 50,000 Burmese refugees believed to be in Thailand. Thousands of students fled to Thailand after the military seized power in Rangoon in September 1988 to end six weeks of student-led, pro-democracy protests.

The coup was followed by a crackdown in which thousands of demonstrators for democracy were killed throughout Burma. The London-based human rights organization Amnesty International charged this month that political arrests have continued since the coup and that torture is routine in Burmese prisons.

One Western diplomat said the Thais are clearly concerned more refugees will come, leading to a situation on the Burmese border similar to that on the Cambodian frontier, where Thailand hosts 300,000 Cambodians in camps assisted by the United Nations.

Bangkok has also drawn close to Rangoon with several business deals since the coup as part of its policy of trading rather than fighting with its neighbors.

Thai officials have said the Burmese were here as illegal immigrants, something of which they have been tolerant.

The Burmese taken back last week were not handed over to Burmese authorities nor were they escorted to Burmese waters, one diplomat said. He said that they were put on boat in Ranong and that Thai police ordered the boatman to go to Victoria Point. The students bargained with the boatman to let them off on a Thai island, student sources said.

The situation is "not as good as we wish, but people have not been handed over, nobody has been been beheaded," another diplomat said. He said the UNHCR was "pushing for better temporary stay or some kind of way the Burmese refugees can stay here."

The Burmese were taken from the Suan Phlu immigration jail in Bangkok where they had gone on a hunger strike in April against the poor conditions and length of their detention. About 30 are still in the jail.

The UNHCR has a case load of a few hundred of what may be thousands of Burmese refugees in Bangkok, diplomats said.

Phnom Penh Troops Reportedly Rob Thai Couple

BK0905054390 Bangkok Voice of Free Asia in English 1500 GMT 8 May 90

[Text] Seven or eight Phnom Penh troops allegedly robbed a Thai couple of 60,000-baht worth of valuables at their home in Khok Sabaeng village yesterday, 15 kilometers southeast of Aranyaprathet.

Phnom Penh Regime's troops, armed with AK-47 assault rifles and grenades, crossed the border at night, robbed Sawaeng and Samut Samon of gold necklaces, cash and other items in Khok Sabaeng and fled back to Cambodia, sources said.

A police officer at Khlong Luk police station said that the number of armed robberies by foreign forces had risen in villages here since cross-border trading posts were opened at Pa Phai and Khok Sabaeng.

Muslims, Buddhists Protest as Tension Rises

BK0905041790 Bangkok BANGKOK POST in English 9 May 90 p 1

[Excerpts] Yala—Some 2,000 Thai Muslims yesterday staged a rally at the main Yaha District mosque countering a rally held earlier in the day by Thai Buddhists calling for a ranger regiment to remain in the area.

The Fourth Army is considering moving the 43rd Ranger Regiment based in the district out of the province amid fears an explosive situation may arise following the murder of a Muslim woman and her daughter. The woman and her daughter were allegedly killed by a ranger attached to the regiment, southern army sources disclosed yesterday.

About 200 local residents, mostly Thai Buddhists, yesterday rallied at Yaha's district office distributing leaflets asking the Army not to move the regiment out of the area.

But in the afternoon, about 2,000 local Muslims held another rally at the district's main mosque, displaying their displeasure at the first rally which dissolved before noon, according to provincial Islamic committee secretary Aziz Benhavan. He said the demonstrators, who included a number of Shiite Muslims, last night had blocked the main Yaha-Yala road.

Sources said the Muslims believed the Thai Buddhist rally earlier in the day was organised by "certain" local government officials.

Ranger Chuai Nunak of the 4303rd ranger company of the 43rd Regiment was arrested on murder charges after Mrs Sakro Chepheng and her seven-year old daughter were brutally killed late last month at Ban Kao Rao Ramae in Yaha District. [passage omitted]

Another senior army officer in Nakhon Si Thammarat Province admitted yesterday that the Fourth Army was studying the possibility of moving the regiment out of the province in the hope of easing tension caused in the area by the incident. [passage omitted]

Moscow Radio Interviews Government Spokesman

WA0905124590

For excerpts of an interview with Thai Government Spokesman Suwit Yotmani by a Radio Moscow reporter after the 11th World Conference of Correspondents held in Moscow, see the Southeast Asia & Pacific section of the 9 May Soviet Union DAILY REPORT.

Vietnam

Dinh Nho Liem, PRC Official Hold Discussions

View Ties, Cambodia

BK0905115990 Hanoi Domestic Service in Vietnamese 1100 GMT 9 May 90

[Text] Chinese Foreign Minister Qian Qichen received and had cordial talks with Vietnamese Deputy Foreign Minister Dinh Nho Liem in Beijing on 8 May 1990. In early May 1990, First Deputy Foreign Minister Dinh Nho Liem arrived in Beijing to inspect the work of Vietnamese Embassy there. On this occasion, Deputy Foreign Minister Dinh Nho Liem had working sessions with the Chinese Foreign Ministry. Chinese Deputy Foreign Minister Tian Zengpei hosted a banquest in honor of Deputy Foreign Minister Dinh Nho Liem. Deputy Foreign Minister Dinh Nho Liem had working sessions with Chinese Deputy Foreign Minister Tian Zengpei and Assistant to Chinese Foreign Minister Xu Dunxin in a sincere atmosphere.

The two sides exchanged views as to how to restore the traditional friendship between Vietnam and China and to normalize relations between the two countries. They also exchanged views on many international and regional issues of mutual concern, including efforts to find a comprehensive, fair, and reasonable solution to the Cambodian problem on the basis of respect for the sovereignty and responding to the interests of the Cambodian people in conformity with the interests of other countries involved, thus contributing to peace, friendship, and cooperation in Southeast Asia.

The two sides noted with satisfaction that these exchanges of views were useful and effective, contributing to enhancing their mutual understanding. The two sides reached an identify of views on certain issues although some differing views still persist. The two sides agreed to meet again as soon as possible to continue their exchange of views.

Deputy Foreign Minister Dinh Nho Liem visited the Tianjin economic development area and the new port of Tianjin City where he was given a cordial welcome by the city administration reflective of the traditional friendship between Vietnam and China. Vietnamese Ambassador Dang Nghiem Hoanh accompanied Deputy Foreign Minister Dinh Nho Liem in all these activities.

'Some Progress' Noted

BK0905005890 Hong Kong AFP in English 0005 GMT 9 May 90

[Text] Bangkok, May 9 (AFP)—Vietnamese Foreign Minister Nguyen Co Thach said here Wednesday that ongoing talks between senior Chinese and Vietnamese officials had achieved "some progress" on Cambodia. Mr. Thach, speaking to AGENCE FRANCE-PRESSE as he was leaving for Western Europe, dismissed Cambodian resistance leader Prince Norodom Sihanouk's announcement that he was leaving politics as a ploy to avoid planned peace talks with Phnom Penh. Prince Sihanouk's move "is serious in that sense," Mr. Thach added. "It will jeopardise the chances of peace in Cambodia."

China is the main backer of a Cambodian guerrilla coalition grouping the Marxist Khmer Rouge with non-communist factions loyal to Prince Sihanouk and former Premier Son Sann. Its longtime rival Vietnam installed the Phnom Penh government.

Mr. Thach said ongoing talks on Cambodia in Beijing between Vietnamese Deputy Foreign Minister Nho Dinh Liem and Chinese Foreign Minister Qian Qichen had reached "some progress" in both the field of bilateral relations and Cambodia. But Mr. Thach, who has said the previous evening that Hanoi and Beijing had made "not too much progress" toward normalizing ties, declined to be more specific. "The discussions have not yet come to an end," he said Wednesday. "I cannot forecast whether they will result in big or small progress, but I can say there is some progress."

Mr. Thach charged that Prince Sihanouk's announcement earlier this week in Beijing that he was taking a "long leave of absence" as leader of the Cambodian resistance was "not serious." He also dismissed as "not serious" the 68-year-old former Cambodian ruler's proposal to travel all over Cambodia including to Phnom Penh-controlled zones on a "non-political mission" for the reconstruction of his war-torn country. The prince's behavior was only serious in that it would prevent a meeting to be held next month in the Japanese capital between the prince and Phnom Penh Prime Minister Hun Sen to discuss a Cambodian peace settlement, Mr. Thach said. "I think this is to avoid having talks in Tokyo," Mr. Thach commented on Prince Sihanouk's decision to leave politics. Prince Sihanouk, who had initially accepted the meeting, proposed by Thai Prime Minister Chatchai Chunhawan, has said he could not take part at the same time as he announced he was leaving politics.

Vietnam invaded Cambodia 11 years ago to overthrow a Khmer Rouge regime and install in Phnom Penh a client government dominated by Khmer Rouge defectors. The Khmer Rouge, with China's massive military assistance now dominates the anti-Phnom Penh forces.

The Vietnamese foreign minister declined to comment on the detention without charges in Vietnam of U.S. businessman Michael Morrow. "I'm the foreign minister. I'm not the security minister," Mr. Thach said when asked about the incident. "Each minister has his own responsibility."

Mr. Morrow, according to another businessman, Frenchman Thierry Rodzinek, is detained incommunicado in Ho Chi Minh City. Mr. Rodzinek said here Tuesday that he and Mr. Morrow had been arrested together on April 23 in Da Nang because they had not been given official permission to visit this central coastal city. Mr. Rodzinek said that he was released shortly afterwards but that Mr. Morrow, a former correspondent in Indochina during the Vietnam War, was still under detention. The U.S. State Department has confirmed that a U.S. businessman was being held in Vietnam and said U.S. Embassy officials in Thailand were trying to gain access to him.

Mr. Thach was on a stopover here on his way to visits to West Germany, Belgium and Italy.

Nguyen Co Thach on Issues

BK0905092390 Bangkok THE NATION in English 9 May 90 p 4

[Text] Vietnamese Foreign Minister Nguyen Co Thach said yesterday that China's willingness to make concessions was crucial to end the Cambodian war. Thach told reporters on a stopover here on his way to West Germany, that since Vietnam pulled out its troops from Cambodia, it no longer had any responsibilities in that country, which it occupied for a decade. Asked whether the Chinese had made any concession on the Cambodian issue, Thach said: "We have withdrawn our forces, we have no more problems in Cambodia, now the problem is with the others, if they do not make any concessions the problem will not be solved and it is no longer our responsibility."

Thach is on a week-long visit to Europe to discuss Vietnam's normalization with West Germany, Italy and Belgium. He said that Vietnam and China have improved their bilateral ties, and trade between the two countries has prospered. But, he added that the Sino-Vietnamese ties are not fully normalized. "It is still not normalization, it's still not good enough but better than when China waged war against Vietnam," Thach said. Vietnam's Vice Foreign Minister Dinh Nho Liem is currently on an official visit to Beijing to discuss their bilateral relations.

Further Coverage on U.S. Publisher's Arrest

HK0905021990 Hong Kong HONGKONG STANDARD in English 9 May 90 p 1

[Text] A Hong Kong-based publisher is being held without charge at security headquarters in Ho Chi Minh City, Vietnam. Mike Morrow, 45, a United States citizen who has lived in Hong Kong for 15 years, was arrested two weeks ago in Danang while travelling from Ho Chi Minh City to Hanoi with a French businessman, Thierry Rodzinek.

Mr. Morrow—who speaks fluent Mandarin and Vietnamese and some Cantonese—is the managing director of the Hong Kong-edited Petroleum News, an energy industry journal focused on Asia. During the Carter administration he was chairman of the Vietnam Commercial Relations Committee of the American Chamber of Commerce in Hong Kong, a group of American businessmen who, with the State Department knowledge kept up a dialogue with Hanoi despite U.S. trade bans. Mr. Morrow also led American business delegations to Hanoi in the early 1980s and came to know some of the country's top decision-makers.

Mr. Morrow and his French companion were taken into custody in Danang on Tuesday April 24, and were forced to spend the night at a security centre in the old French-built city. The next day they were taken back to Ho Chi Minh City where Mr. Rodzinek was released.

Mr. Rodzinek spoke to THE HONGKONG STANDARD yesterday by telephone from his Bangkok office. "We are looking for sites to build a tourist hotel. We were negotiating with one company, and we got arrested," he said. Mr. Rodzinek said the Danang security police seemed to doubt the two Westerners had authority to travel up the coast of Vietnam. "Mr. Morrow is being held without charge. But this is just a pretext. Actually the travel problem could have been arranged in five minutes. The security people holding Mike Morrow are not interested in the visa (travel permit). They don't keep somebody for two weeks for nothing. "They treated us very politely; they gave us food and drink and whatever we wanted except freedom. They were very polite and very formal."

Mr. Morrow was a war correspondent in Vietnam from 1967 to 1970. After Hanoi decided in 1986 to open up the country's economy, he began to investigate business opportunities and acted as an adviser to many big companies. In the past year he has travelled often to Vietnam on business. He has maintained relations with Vietnam's Ministry of Foreign Affairs and its chamber of commerce as well as organizations involved in aviation, tourism, transportation, energy, food, industry and banking. Mr. Morrow's family and colleagues are negotiating with the Vietnamese government for his release.

NHAN DAN Views Issue of Workers in GDR

BK0805111190 Hanoi Domestic Service in Vietnamese 1100 GMT 3 May 90

[Article by Huu Hanh in 3 May NHAN DAN: "A Meeting With the Head of the Vietnamese Labor Management Committee in the GDR"]

[Text] One week after the 18 March 1990 national assembly elections in the GDR, the situation of 60,000 Vietnamese workers has become a burning current issue. We had a chance to meet Comrade Tran Manh Tuan, head of the Vietnamese Labor Management Committee, and hundreds of Vietnamese cadres and workers who are working in 622 factories and enterprises in the GDR to get true answers to the following questions: Are political developments in the GDR having some impact on the minds and work of Vietnamese workers? As serious problems are emerging because of surplus workers in the GDR, will Vietnamese workers have to repatriate ahead of schedule? What is the viewpoint of the new government in the GDR on this issue? What are the prospects for labor cooperation with the GDR in the coming years?

Comrade Tran Manh Tuan told us: To clarify these questions, first of all we must look at the legal background and basis of the presence of 60,000 Vietnamese workers in the GDR. In April 1980, the two states of Vietnam and the GDR signed an agreement on labor cooperation, which is now called labor export. The agreement was then modified and supplemented to suit the goals and scope of cooperation. Some of the basic provisions in the agreement extend the length of workers' tours stipulated in labor contracts from four to five years and authorize workers to go on home leave for 60 days with pay at mid-tour, with the GDR enterprises paying for their flights. The initial pay for a worker increases from 300 to 500 marks. The GDR government increases the monthly allotment of workers' pay to our government from 104 to 160 marks per capita to defray the recruiting expenses and contribute to social security insurance.

Every year, we have dispatched young workers to the GDR to meet its demands. By the end of 1989, the number reached 60,000 workers. Half of these workers are working in light industry; 24 percent in the engineering, coal, electronic, and chemical sectors; and the rest in communications and other service sectors. In general, workers in the light industries and service sector have enjoyed a more stable life than those in other sectors. Their monthly income including post differential is not small. For example, in the first quarter of 1989, their average income was 830 marks. It was increased to 900 marks in the fourth quarter. Only 6.5 percent of these workers received less than 400 marks a month. However, what is of more concern is the two methods of transferring workers' income home through postal parcels and sea shipments, which have been restricted since the third quarter of 1989. Those goods that workers need such as motorbikes, bicycles, and some spare parts are in critically short supply. The image of workers in various localities has shown signs of worsening partly due to this situation.

The political changes in the GDR have quickly had a direct impact on the psychology, minds, and performance of the workers. Since the opening of the East-West Germany border, nearly 4,000 Vietnamese workers have left factories and enterprises for the FRG. Most of these runaway workers have friends and relatives residing in the FRG or other capitalist countries, and they hoped they would be sponsored to live in those countries. Some of them were lured away or urged by curiosity, hoping for a paradise life on the other side; the remainder were disappointed, indebted, and affected with a poor sense of discipline, or discontent with the factories' management or with their immediate Vietnamese supervisors. Most of these people have adopted a lackadaisical and pragmatic life-style.

Moreover, when the political institutions in the GDR have changed and the centralized planning system has shifted to a market-oriented mechanism, the implementation of the systems for financial autonomy and self-determination in production and business projects will inevitably lead to excess labor in certain domains. The Vietnamese workers have also been affected by this consequence, most noticeably and rapidly in the building, electronic, and forestry sectors.

In the recent past, some industrial production installations in the FRG have sent their representatives to the GDR to probe for joint business ventures and cooperation in production. Some of the installations have set up chains of production with equipment from the FRG and have scored high productivity. Some others have been unable to survive under the market-oriented system.

By the end of March 1990, 5,000 Vietnamese workers had become excess labor. During the first two months of the year, both Vietnam and the GDR discussed the problem and transferred 1,000 or more of these workers to where they were needed. Yet, the situation did not end here. Some factories and enterprises in the GDR under the pretext of financial difficulties want to repatriate some or all Vietnamese workers, driving them into a very difficult situation. This is a unilateral decision not in line with the provisions in the agreement between the two states.

Many people have posed this question: What are the prospects for implementing the agreement on labor cooperation between Vietnam and the GDR in the near future? It is up to the GDR side to resolve this problem, because we will continue to honor completely the signed agreement on labor cooperation on the principle of equality, friendship, and mutual benefit. The new GDR Government is faced with many major problems to be solved, including the problem of foreign workers. During a reception for Vietnamese Ambassador Ta Huu Canh on 27 February 1990, Mrs. Mensch, former labor and wages minister said: Together with members of the new government, we will review the steps of this cooperation and try to prevent injustice.

What we want to assert here is that the majority of Vietnamese workers have worked well, have learned quickly, and are diligent. Some units in the GDR service and light industry sectors badly need Vietnamese workers. The new GDR Administration is facing many difficulties in domestic and foreign affairs. Our state is ready to discuss the next step of labor cooperation with the GDR Government if ever the latter requests it. We are convinced that neither side will unilaterally break the agreement, because this is an agreement between the two states of international legality.

Le Quang Dao Receives GDR Ambassador 7 May

BK0705161390 Hanoi VNA in English 1534 GMT 7 May 90

[Text] Hanoi VNA May 7—Chairman of the National Assembly Le Quang Dao received here today the ambassador of the German Democratic Republic to Vietnam, Dietmar G. Fach, who paid the former a courtesy visit.

Chairman Le Quang Dao had a cordial talk with the GDR diplomat.

Czechoslovakia To Honor Labor Commitments

BK0805093090 Hanoi Domestic Service in Vietnamese 1100 GMT 4 May 90

[Text] On 2 May, Petr Miller, CSFR minister of labor and social affairs, received and informed our ambassador to the CSFR, Nguyen Phu Soai, that his country would guarantee the fulfillment of all commitments in the agreement on labor cooperation which was concluded between the two governments of the CSFR and Vietnam.

National Day Greetings Sent to Czechoslovakia

BK0905061190 Hanoi VNA in English 1542 GMT 8 May 90

[Text] Hanoi VNA May 8—State Council President Vo Chi Cong and Chairman of the Council of Ministers Do Muoi have sent a joint message of greetings to their Czechoslovak counterparts on the 45th National Day of the Czechoslovak Federative Republic (May 9).

The message, addressed to President Vaclav Havel and Prime Minister Marian Calfa, says:

"We hope that these friendship and all-around cooperation between the Socialist Republic of Vietnam and the Czechoslovak Federative Republic and the two peoples will continue and develop in the interests of the two peoples and of peace and progress in the world."

Also on this occasion, National Assembly Chairman Le Quang Dao extended his greetings to his Czechoslovak counterpart Alexander Dubcek.

Thai Commerce Minister, Delegation Arrive

BK0605151490 Hanoi VNA in English 1443 GMT 6 May 90

[Text] Hanoi VNA May 6—Commerce Minister Subin Pinkhayan of the Kingdom of Thailand arrived here this afternoon for a friendship visit to Vietnam.

He was accompanied by other senior officials of the Ministry of Commerce, representatives of various companies in banking, and import-export services, textile as well as food and foodstuff-processing industries, tourism and fishery, and by a number of press and television reporters.

The Thai minister and his party were received at the government guest house by Hoang Minh Thang, minister of commerce.

Thai Ambassador Rangsan Phahonyothin was present on this occasion.

This evening, Minister Hoang Minh Thang had a cordial meeting with his Thai counterpart and other Thai guests.

Meet Tran Duc Luong

BK0705160890 Hanoi VNA in English 1529 GMT 7 May 90

[Text] Hanoi VNA May 7—Vice Chairman of the Council of Ministers Tran Duc Luong told Thai Commerce Minister Subin Pinkhayan here today that the Vietnamese Government desires to promote trade and economic cooperation with Thailand.

During his reception of Subin Pinkhayan who arrived yesterday for a three-day visit to Vietnam, Tran Duc Luong welcomed the visit. He also highly appreciated the results of the Thai minister and his party's working sessions with representatives of the Ministry of Commerce, the Ministry of Agriculture and Food Industry, and the Chamber of Commerce and Industry. During those sessions, the two sides exchanged views, experience and information to promote commercial relations and joint investments.

Representatives of Thai trade companies also had talks with Vietnamese import-export corporations.

The Thai guests will leave for Ho Chi Minh City tomorrow to continue their visit to Vietnam.

Do Muoi Receives Japanese National Assemblymen

BK0705160690 Hanoi VNA in English 1534 GMT 7 May 90

[Text] Hanoi VNA May 7—Chairman of the Council of Ministers Do Muoi received here today Michio Watanabe, member of the House of Representatives of Japan, on a current visit to Vietnam.

Present at the reception were Cadidowa Kogi, chairman of the External Relations Committee of the House of Representatives of Japan and his party who are also on a current visit to Vietnam; Phan Van Khai, chairman of the Vietnam State Planning Committee; and Japanese Ambassador to Vietnam Kuniaki Asmura.

Do Muoi warmly welcomed the visit as Japan's goodwill and a contribution to strengthening the relations between the two countries. He expressed satisfaction at Michio Watanabe's fruitful contacts with the Vietnam State Planning Committee and the State Committee for Cooperation and Investment. He also expressed his hope for further development of the economic ties between Vietnam and Japan for the sake of the two peoples.

Do Muoi asked his guests to convey his best regards to Japanese Prime Minister Kaifu.

For his part, Michio Watanabe said he hoped that Vietnam would create favourable conditions for the production and trade establishments of Japan to develop their diversified cooperation with Vietnam. He expressed his wish for Vietnam's new success in national development.

Do Muoi Thanks Sweden for Development Aid

BK0905061490 Hanoi VNA in English 1537 GMT 8 May 90

[Text] Hanoi VNA May 8—Chairman of the Council of Ministers Do Muoi on May 7 sent a message to Prime Minister Ingvar Carlsson of Sweden, expressing gratitude to the Swedish Government and people for deciding to grant 380 million kronor as development aid to Vietnam in the 1990-91 fiscal year.

This grant was adopted recently by the Swedish Parliament.

Swiss Workers' Party Leader Expresses Support

BK0805093590 Hanoi Domestic Service in Vietnamese 0500 GMT 4 May 90

[Text] After our ambassador to Switzerland informed him of the activities to commemorate Uncle Ho's birth centenary, of the party Central Committee's eighth plenum, and of renovation in our country, Comrade Spielmann, general secretary of the Swiss Workers' Party, conveyed his warmest greetings to Comrade General Secretary Nguyen Van Linh and our party Central Committee on the occasion of Uncle Ho's birth centenary. At the same time, he informed our ambassador of those activities to be carried out by the Workers' Party and other mass organizations in Switzerland to commemorate this paramount event, including a meeting of Swiss people of all strata to be held by the Swiss-Vietnamese Friendship Association on 18 May 1990.

On behalf of the Swiss communists, he sincerely wished our party and people to score more victories in renovation and socialist construction. He asserted that—like in the past 40 years or more—the Swiss Workers' Party would continue its activities to support and assist the Vietnamese people in national construction and defense. He stressed that despite the difficult situation caused by complex changes in socialist countries, the Swiss communists never lose faith and the Swiss Workers' Party would continue to firmly maintain its solidarity and its pioneer revolutionary role to lead the struggle of the working class and the laboring people of Switzerland.

Nguyen Van Linh Interviewed on Domestic Issues

BK0805100590 Hanoi VNA in English 0757 GMT 8 May 90

[All quotations marks as received]

[Text] Hanoi VNA May 8—Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, has recently granted an interview to a correspondent of the Soviet paper IZVESTIYA in Hanoi.

Asked about the role of democratization in the renovation process in Vietnam, Nguyen Van Linh said:

"As we see it, democracy is an objective and also a motive force of socialism, and effective means to build the party. Democratization means in essence to respect and ensure the people's right to actual mastery in the management of the country in implementing the motto 'Let the people know, discuss, act and inspect.' But this must be a guided democracy, in other words there must be a leadership to vigorously develop democracy by democratic methods in order to ensure the development of democracy along the aims of socialist construction. Democracy must be closely associated with centralism to prevent anarchy leading to social disorder. We are openly for strong promotion of democracy with regard to the working people, manual and intellectual alike, and other strata of the people who form the overwhelming majority of the population. At the same time we exert dictatorship toward the reactionaries, a small number who constantly sabotage the socialist regime and act against the people in different forms, different ways and in all fields. The Vietnamese people know through their own historical experiences and at the price of their own blood that the Communist Party of Vietnam is their sole authentic leader. They cannot accept political pluralism, multi-party or an opposition party. The Vietnamese people also demand that the party reorganize itself in all fields so as to be equal to the needs of the revolution. On the one hand, the party publicly admits its errors and mistakes and actively corrects them, and on the other, sincerely encourages the people to criticize and make constructive suggestions to the party. The party respects and encourages the difference of opinions in the process of discussion to find out the truth. But all discussions must arrive at a conclusion. Here, the principle of the minority submitting to the majority, the lower level to the higher level, the entire party to the Central Committee must be applied and every party member must act in conformity with the resolution of the majority. The minority are allowed to keep their own ideas which will be reconsidered when necessary.

Asked to comment on the events in Eastern Europe, Nguyen Van Linh said:

"The Communist Party of Vietnam has been following with great concern the developments in Eastern Europe. We are deeply grieved to learn that in some of those countries the communist parties have lost power, that the opposition forces are step by step steering those countries toward capitalism under different denominations.

We know that the social ideal has brought many achievements to the people in those countries and helped them to overcome many trials in the past. No doubt, many difficulties and hardships are to be overcome, but the socialist ideal will certainly continue to blaze the path for and encourage the fight of the people and the genuine communists mistakes which have disnatured socialism, and to combat to correct those tendencies to deviate from the socialist path. [sentence as received]

Capitalism is not the last solution to mankind's civilization. Sooner or later, the people in those countries will be disappointed by the harsh realities weighing upon them.

Recent events in Eastern Europe have posed many questions, both on the theoretical and practical planes, that we, the Communist Party of Vietnam, must study to draw the necessary conclusion for our work in party building and in national construction.

Asked about the "secret" of Vietnam's success in the economic field over the past two years, Nguyen Van Linh said:

"Over the past three years, Vietnam has carried out renovation in a comprehensive and systematic way in the economic domain.

Regarding the economic structure and investment policy, we have concentrated on carrying out the three economic programs, with priority to the production of food, foodstuffs, consumer and export goods, while also expanding the energy bases and the whole infrastructure.

On the question of economic sectors, we decided to improve the quality of the state-run and collective economic sectors, at the same time to develop the multisectoral economy and encourage private citizens to invest in production and business. Thanks to this, many individuals and collectives have invested large sums and other property in industry, agriculture, fishery, aquaculture, services, etc. Together with state-run enterprises and cooperatives they have turned out more (?and) more products in service of domestic consumption and export, at the same time created jobs for hundreds of thousands of people.

Regarding to managerial mechanism, we have applied broadly the contract quota system in agriculture, forestry and fishery, creating conditions for while requesting all economic units to change to cost-profit accounting and financial autonomy. [sentence as received] The state has applied the single-price system, abolished state subsidies through price disparity, applied an exchange rate based on reality, expanded the trading of foreign currencies and precious metals and expanded the business banking system. By allowing an interest rate for savings higher than the price index, in only one year we have been able to attract 1,300 billion dong of idle money among the population into the banks. In a word, we are applying the market mechanism with the socialist state acting as the macro-economic regulator.

Our external economic relations have been renovated and initially broadened, and we have, also in an initial step, obtained some investments from foreign countries, including the Soviet Union. The state planning and management have renewed by one step, concentrating on the running of the macro-economy and refraining from professional interference in the business operations of the production establishments. Also renovated and streamlined are the management mechanism and personnel aimed at cutting down on the unnecessary intermediary links. Those achievements, though modest, are important.

Asked about the prospects for a solution to the Cambodian issue, Nguyen Van Linh said:

Vietnam supports the search for a political solution to the Cambodian problem, which must exclude the return to power of the Khmer Rouge, and ensure the respect for the right to self-determination of the Cambodian people, and free election under the supervision of the United Nations aimed at building an independent, democratic and neutral Cambodia. Vietnam has completely withdrawn its troops from Cambodia, and together with the international community will actively contribute to achieving a fair and (?just) solution to the Cambodian problem on the basis of ensuring sovereignty and independence of that country.

State Council's 2-5 May Meeting Results Outlined

BK0705041590 Hanoi Domestic Service in Vietnamese 2300 GMT 6 May 90

[Communique of the State Council on its 2-5 May Meeting]

[Text] The Council of State met from 2 to 5 May 1990 under the chairmanship of Vo Chi Cong.

1. Implementing a resolution of the eighth National Assembly's sixth session, the Council of State heard representatives from the Vietnam Confederation of Workers [VCW], the Council of Ministers and the National Assembly's judiciary committee report, on the results of compiling the bill on trade unions on the strength of accepting the views of National Assembly deputies, trade unions at all levels, state management agencies and production and business bases. The Council of State gave its views and charged the VCW, the National Assembly's judiciary committee and the Council of Ministers with the task of perfecting once again the bill on trade unions for its passage at the seventh National Assembly session.

2. The Council of State has scrutinized the bill amending and supplementing some articles of the criminal procedure code on the basis of a report from the chief procurator, an investigative report of the National Assembly's judiciary committee and the views of the Vietnam Fatherland Front Central Committee. After one year of its implementation, the criminal procedure code has brought into play its effect on the field of crime fighting and prevention to protect the free and democratic rights of citizens. However, the implementation of the code has revealed that some of its articles should be studied again, amended, and supplemented promptly to suit the current practical situation. The Council of State has presented its views and directed the National Assembly's judiciary committee together with the Supreme People's Organ of Control and responsible agencies to continually perfect the bill by soliciting additional views from all echelons, sectors, and social organizations so the bill can be passed at the seventh National Assembly session.

3. After hearing a representative of the Council of Ministers present two draft regulations on Vietnam State Bank and on all other banks, credit cooperatives, and financial companies, and an investigative report of the Economic, Planning, and Budget Commission, the National Assembly's judiciary committee and the Council of Ministers discussed and commented on these two draft regulations. In renovating economic management and in building the multisectorial economy of goods, the promulgation of these two regulations on banking is a pressing demand aimed at rapidly renovating the organization and operations of the banking sector; restoring order and discipline in the domains of finances, credits, and foreign exchanges; protecting the legal interests of organizations and individuals; helping accelerate the development of production and business; and expanding economic relations with foreign countries.

The Council of State entrusted the Council of Ministers together with the Economic, Planning, and Budget Commission and the National Assembly's judiciary committee with the task of soliciting additional views from all sectors, echelons, and the people from all stratas to perfect the draft regulations on Vietnam State Bank and on all other banks, credit cooperatives, and financial companies and submit them to the Council of State for approval at the next meeting.

4. The Council of State heard a representative of the Council of Ministers report on the implementation of a National Assembly resolution on the socioeconomic development task for 1990 and on the situation of security and order and public safety in the first quarter of 1990. The Council of State realized that during the first quarter of 1990 the country's socioeconomic situation continued to change positively with the 1989 momemtum, though still with many problems and major imbalances to be strenuously overcome. The Council of State requested the Council of Ministers, all echelons and sectors to concentrate on providing guidance and taking positive measures to victoriously implement the socioeconomic tasks of the first half-year of 1990; to particularly intensify close inspection and control over the collection of industrial, trade, and import taxes; and to resolutely oppose shortfalls in tax collection and the evasion and cheating of taxes in order to secure sources of revenue for the state budget.

The maintenance of security and social order and safety and the implementation of National Assembly resolutions and the Council of Ministers' Directive No. 135 have been supported by the people. Thus notable progress has been achieved. Various echelons and sectors should vigorously accelerate the mass movement for national security to achieve basic and firm changes for the better.

5. After hearing a report on results of the 10-12 April national conference on people's councils, and after reviewing the draft regulation on organization and activities of various people's council echelons revised on the basis of soliciting ideas from conference delegates, the Council of State has approved the regulation. This regulation is an important legal document aimed at concretizing all stipulations of the law on organization of the people's councils and people's committees, at developing the people's right to mastery, and at enhancing the position and ensuring the efficacy of people's council echelons. The Council of State asks various echelons, sectors, and mass media agencies to disseminate this regulation widely among the cadres and people. Standing bodies of people's councils of provinces and municipalities directly subordinate to the central government and the corresponding levels as well as standing bodies of people's councils of districts, precincts, and wards of provinces and cities. Secretariats of people's councils of villages, subwards, and towns must promptly organize study courses to help people's council members thoroughly understand the content of this regulation. This is to ensure its serious and correct implementation.

6. After hearing a representative of the Council of Ministers report on the implementation of the National Assembly's resolution on the exemption of agricultural tax according to President Ho Chi Minh's testament to meet the aspiration of peasants in many localities and to mobilize the people to positively engage in production, the Council of State reached a consensus with the Council of Ministers to make a proposal to the National Assembly to exempt 50 percent of the agricultural tax in 1990 based on the 1989 agricultural tax rate.

7. At the recommendation of the Council of Ministers and basing on the investigative report of the National Assembly Judiciary Committee, the Council of State ratified the SRV-LPDR [Lao People's Democratic Republic] national border delineation agreement which was signed in Ho Chi Minh City on 1 March 1990.

8. The Council of State decided that the seventh session of the Eighth National Assembly will be held in mid-June 1990.

Problems Facing State-Run Enterprises Noted

BK0605083890 Hanoi VNA in English 0724 GMT 6 May 90

["Sunday Feature: State-Run Enterprises Stand Up to Trial"—VNA headline]

[Text] Hanoi VNA May 6—One of the most serious problems the state-run enterprises are facing is how to maintain and boost production in the new situation where trade exchanges with foreign countries, especially East European countries, are experiencing unfavourable changes.

Political and economic instability in a number of countries has had a negative impact on Vietnam's state-run enterprises. The supply of raw materials is running out and processing and purchasing contracts have either been cancelled or scaled down. Meanwhile, the inputs, especially the price of raw materials and fuel, have soared up. Surplus manpower has become a common sight at many enterprises.

However, not all factories and enterprises suffered to reduce production or close down. Instead, a number have ridden out of the storm and are going forward. The Export Leather Shoe Factory, the Ha Dong Textile Mill and the Rang Dong (Dawn) Electric Bulb and Vacuum Flask Factory, all in Hanoi, are among them.

The director of the Hanoi Export Leather Shoe Factory said that even as it is bracing up to cope with further disturbances in the market his factory can provide stable jobs for about 1,000 persons in at least three years time.

Originally a manufacturer of shoe uppers for the Soviet Union, the factory has been empowered by the Ministry of Light-Industries to sign direct supply contracts with a shoe factory in Spartak region of the Soviet Union. Thanks to this, in spite of a recent cancellation of contracts by the German Democratic Republic, the employment situation at the factory remains stable.

In recent years, the factory has built thousands of square metres of workshop and bought full equipment for a production chain to make complete shoes instead of shoe uppers only as in the past.

For its part, the Ha Dong Textile Mill has survived a long period of stagnation to become one of the most trusted manufacturers of towels in the country. Looking upon product quality as foremost criterion for competitiveness, in the past three years, it has invested 5.4 billion dong in building more workshops and buying 110 knitting machines from the Soviet Union and a dyeing chain and other equipment from Japan.

To overcome the shortage of raw materials due to the high price, the mill offers bonuses to those workers who save most materials in production, who make high quality towels and achieve high productivity.

This year, the mill won more contracts than last year with foreign countries. Except for a ten-per-cent decrease in its transactions with the German Democratic Republic, contracts with other countries remain unchanged and have even increased in some specific items. The order from Japan for instance, is 21.6 million napkins this year compared with only 2.4 million last year.

The Rang Dong Electric Bulb and Vacuum Flask Factory is another example of success story. Due to the influx of glassware and chinaware from China, the factory could not sell its products for several months.

It began to encourage technical innovations and improvement of product quality and the result was not long to come. Rang Dong can now compete with other countries in electric bulbs and vacuum flasks. Its electric bulbs have the same quality as but are cheaper than those made in Hungary or China. Half a million vacuum flasks were sold out in a few months.

That is not to say that the struggle to boost production will be smooth sailing in view of the rapid increase of the price of materials and the continued influx of foreign-made goods. Therefore, in addition to efforts to study the market and meet customers' demands, the state-run enterprises need much more investments in re-equipment and for the import of new technologies.

Australia

PRC Minister Continues Meetings, Activities

Inspects Industrial Facilities

BK0705075890 Melbourne Overseas Service in English 0500 GMT 7 May 90

[Text] China's Minister for Metallurgical Industry Mr. Qi Yuanjing, who is on an eight-day visit to Australia, has today been inspecting steel-making facilities at Port Kembla in New South Wales. Mr. Qi arrived quietly in western Australia last Wednesday [2 May] to open the Mount Channer iron ore mine which is 40 percent owned by the Chinese Government. He has since also inspected other metal resource projects in western Australia and a coal mine in Queensland.

Radio Australia's diplomatic correspondent, Stewart Heather, says Mr. Qi will be visiting Canberra on Wednesday [9 May] for talks with the foreign affairs minister, Senator Evans, and other ministers responsible for mining and industry. A spokesman said Senator Evans would be raising Australia's concerns about the human rights situation in China.

Told No 'Business as Usual'

BK0905065890 Hong Kong AFP in English 0644 GMT 9 May 90

[Text] Canberra, May 9 (AFP)—Australia renewed its concern over human rights in China during talks Wednesday with the first Chinese minister to visit here since last year's bloody crackdown on pro-democracy forces in Beijing.

Canberra also stressed that the visit by Metallurgical Industries Minister Qi Yuanjing in no way signalled an easing of its criticism of China's move to crush student protesters last June. "It doesn't mean it's back to business as usual," a Foreign Ministry spokesman said. "The relationship remains downgraded, but there is benefit in keeping the lines of communications open."

Mr. Qi, who arrived in western Australia last week to open a joint mining venture, conferred Wednesday with Foreign Minister Gareth Evans for about half an hour, the spokesman said.

The Chinese official also met with Industry, Technology and Commerce Minister John Button, Primary Industries and Energy Minister John Kerin and Resources Minister Alan Griffiths.

Mr. Evans discussed the issue of human rights with Mr. Qi, raising some specific cases, the spokesman said. He did not name them or elaborate. "He (Mr. Evans) recognised some positive steps have been taken, including the lifting of martial law," the spokesman said. "But Australia remains concerned about China and feels more needs to be done."

The two men also discussed bilateral economic relations and trade.

The Australians have taken an extremely low-key approach to Mr. Qi's visit. He was met at the airport here by a public servant and not a minister as is customary. Mr. Button had talks with Mr. Qi but cancelled a picture session with him.

Mr. Qi last week opened the Mt. Channar mine in western Australia, a joint venture between the firm Hammersley Iron and China. The 280 million Australian dollar (211 million u.S.) mine is expected to provide an annual 200 million dollars (150 million U.S.) in exports for the next 20 years.

The Chinese minister was to leave Australia at the end of the week.

Decision Made To Grant Papua New Guinea Aid

BK0805093490 Melbourne Overseas Service in English 0500 GMT 8 May 90

[Text] Australia has agreed to provide Papua New Guinea with Australian $20 million in supplementary short-term aid. A meeting of federal cabinet in Canberra accepted the recommendation from the foreign minister, Senator Evans, to increase this year's assistance to Papua New Guinea which already totals more than $300 million.

The decision comes after warning by Senator Evans that there were limits on Australia's capacity to help Papua New Guinea over its financial problems.

Radio Australia's diplomatic correspondent, Stewart Heather, said Australia would provide $15 million in budget assistance before the end of June and another $5 million in project aid during 1990. However, cabinet did not make a decision on Papua New Guinea's request for another $20 million in 1991.

Heather says Australia has agreed to help offset the shortfall in Papua New Guinea Government revenue from the forced closure of the Bougainville copper mine and reduced plantation incomes.

Hawke To Visit Papua New Guinea 'This Month'

BK0905042990 Melbourne Overseas Service in English 0300 GMT 9 May 90

[Excerpt] The Australian prime minister, Mr. Hawke, has confirmed a four-day visit to Papua New Guinea later this month. Mr. Hawke says he will hold talks with his Papua New Guinea counterpart, Mr. Rabbie Namaliu, and members of the Port Moresby Government on bilateral issues and wider regional development.

Meanwhile, the Australian Government has announced that it is to give Australian $20 million in aid to Papua New Guinea to help ease the country's balance of payments. [passage omitted]

Wool Exports to USSR Frozen Pending Payment

BK0705064690 Hong Kong AFP in English 0623 GMT 7 May 90

[Text] Sydney, May 7 (AFP)—Australian and New Zealand wool exporters have frozen sales to the Soviet Union until the cash-strapped communist country pays for orders worth about 75 million U.S. dollars, industry officials said Monday [7 May]. Dick Newman, chief executive of the Australian Council of Wool Exporters, said Moscow had asked for extended credit on the sales to sort out its foreign currency difficulties.

New Zealand wool exporters said they had also stopped shipments to the Soviet Union until payment was received for previous purchases. Mr. Newman said: "It would appear that the Soviet Union is experiencing a crisis and is trying to resolve the issue."

"Wool exporters decided they are not prepared to make further sales to the Soviet Union until payment has been received for past shipments," he said. More than 100 million dollars (75 million U.S.) of wool shipped had not been paid for, Mr. Newman said. Another 50 million dollars (38 million U.S) worth had been ordered and not shipped.

The Soviet Union is Australia's second largest market for wool, he said. In 1988-89 Moscow bought 924 million Australian dollars (696 million U.S.) of fleece.

Hugh Beggs, chairman of the Australian Wool Corporation, said Australian exporters expected to be paid eventually. "The Soviet Union has in fact never defaulted on wool payments," he said. "They have been slow sometimes."

The wool industry here is already suffering falling wool and sheep prices. Many wool farmers were hurt last month by the vast flooding in eastern Australia.

Fiji

Opposition Leaders Criticize China Links

BK0905104690 Hong Kong AFP in English 1028 GMT 9 May 90

[By Davendra Sharma]

[Text] Suva, May 9 (AFP)—Fiji's opposition Wednesday [9 May] held its first rally since the two 1987 coups here and called on the military-backed government to negotiate with it on a new constitution. Addressing about 700 people in the capital of this South Pacific island republic, opposition leaders also slammed Suva's growing ties with a regime in China they said was "against democratic principles."

Adi Kuini Bavadra, widow of deposed Prime Minister Timoci Bavadra, urged the government to open a dialogue on a constitution being drafted to replace the 1970 document abrogated after the coups. "My party is ready to explore ways of reaching consensus on a fair and socially just constitution that will ensure stability and security in Fiji," she told the rally.

The interim government endorsed a draft nearly two years ago to codify the aims of the twin coups: political supremacy for indigenous Fijians over ethnic Indians who make up nearly half of Fiji's 727,000 people.

Adi Kuini said that despite implicit threats by the government that rejection of the constitution would trigger another military takeover, her coalition of Labor and National Federation Parties was hopeful a solution could be found. She said the current draft, which has run into opposition among Fiji's native chiefs, would encourage racism and spread fear among the Indians, who control about 80 per cent of the country's commerce and key professions.

Urban indigenous Fijians will also feel threatened by provisions guaranteeing parliamentary seats for the country's influential chiefs, said Adi Kuini, herself a high chief. "It fails to offer a just solution to Fiji's deepening political crisis," she said.

Navin Maharaj, who was trade and commerce minister in the Bavadra government, said political uncertainty was still frightening away investors despite promotional efforts in Asian countries.

Coalition leaders, saying their party was once unduly criticised for links to the Soviet Union, also took Suva to task for developing closer relations with China "Even if our party had ties with Russia, it would have been for the better because of sweeping changes there towards democracy," said coalition secretary Krishna Datt. He said this contrasted with "our present leaders who are meeting with people who practice straight raw communism and who in recent times have left examples of brutality against people who are fighting for democratic rights."

The interim government installed by coup leader Major General Sitiveni Rabuka has in recent months strengthened economic and military ties with Beijing. Prime Minister Ratu Sir Kamisese Mara visited China last month and Maj. Gen. Rabuka was winding up a nine-day stay there Wednesday.

The Fiji military forces said in a statement Wednesday that Beijing had reaffirmed its offer of military assistance to Fiji to make up for aid suspended by Australia and New Zealand after the coups.

New Zealand

Moscow Wants Debt Repayment Compromise

BK0905065390 Hong Kong AFP in English 0451 GMT 9 May 90

[Text] Wellington, May 9 (AFP)—The Soviet Union wants a compromise on repaying an estimated 200 million New Zealand dollars (114 million dollars U.S) it owes New Zealand exporters or it will consider importing from elsewhere, Moscow's Trade Commissioner Alexander Kovalev said here Wednesday [9 May]. Soviet trade officials plan to meet with New Zealand Trade Minister Mike Moore this week to convince New Zealand exporters to continue sending goods though they will have to wait indefinitely for payment.

Last Friday New Zealand wool exporters halted exports to the Soviet Union after Moscow said it was unable to pay about 52 million dollars (29 million dollars) for previous shipments. Australian wool exporters have adopted similar tactics over unpaid orders worth about 75 million dollars.

Mr. Kovalev said the Soviet Trade Commission in New Zealand had been sending daily messages to Moscow since a problem became apparent three weeks ago. "Their reply is that they are not yet able to do something," he said. Mr. Kovalev could give no guarantees for New Zealand businesses.

Payment would be made as soon as the Supreme Soviet authorised payment, he said. Mr. Kovalev said he found it difficult to understand why Moscow was not being extended credit. "We are not going to blackmail somebody. Either they will give us credit or they will not," he said.

Mr. Kovalev said some debts to New Zealanders were being paid. Three shipments of butter worth about 25 million dollars (14 million dollar) were paid for last week and other payments for similar consumer items were likely to be met as they fell due. For less necessary goods, such as wool, payment could wait.

However, if New Zealand wool exporters continued to ostracize the Soviet Union, Another supplier would have to be found, Mr. Kovalev said. "We're not buying it for nothing, just for fun. We're buying it because we need it in order to produce," he added.

He said commercial problems were occurring in the transitional period between a planned economy and a free market economy. "But we consider that within this year we will improve our economic situation in terms of payment."

Shortwave Radio Said Drowned by Soviet Station

BK0905050190 Hong Kong AFP in English 0446 GMT 9 May 90

[Text] Wellington, May 9 (AFP)—Shortwave radio broadcasts from the Soviet Union have drowned out Radio New Zealand (RNZ) International's Pacific service, RNZ reported here Wednesday [9 May]. Problems began on Monday when "Radio Peace and Progress" began broadcasting in French and Spanish to Central and South America on the same frequency RNZ had been allocated by the International Frequency Board.

RNZ said it had previously been understood Moscow would join the board and "stop plundering the airwaves." But RNZ International official Rudi Hill said "they've now come down on us." He said the Soviet station was broadcasting with a 500 kilowatt transmitter, five times more powerful than RNZ's transmitter, and obliterating midday and evening shows put out by RNZ.

Mr. Hill said they had reports from Papua New Guinea, Western Samoa and as far as Britain that the New Zealand signal had been wiped out. It was not only New Zealand's 17.68 Megahertz signal on the 16 metre band that was affected as the Soviet signals were spread over several frequencies.

Mr. Hill said the Soviet Embassy here gave RNZ a sympathetic and "humourous" hearing to their complaints but said they would best be dealt with by New Zealand diplomats in Moscow. Government-owned RNZ said approaches had already been made.

The shortwave station went on the air in January and has been plagued with equipment failures since.

Government Wants To Rebuild Ties With France

BK0805104290 Hong Kong AFP in English 0631 GMT 8 May 90

[By Michael Field]

[Text] Wellington, May 8 (AFP)—With the dispute over the Rainbow Warrior saboteurs now finally settled by arbitration in New York, New Zealand is looking to a new future in its relations with France. Prime Minister Geoffrey Palmer, who last November described his French counterpart Michel Rocard as "extremely bright" and "one of the most attractive interlocuters" around, said Tuesday [8 May] he wanted to see him here.

"I think it would be useful if the French prime minister Mr. Rocard came to New Zealand," he said at a press conference. "It would give us the opportunity of trying to improve the relations and set them on a new course."

His comments followed a ruling by a United Nations tribunal on New Zealand's complaint against France over the premature repatriation of two French secret agents from their agreed exile on a remote South Pacific atoll where they had been sent for their role in sinking the Greenpeace protest ship in Auckland Harbour in 1985. The panel condemned France, saying it should pay New Zealand two million dollars towards a "friendship fund" to improve bilateral relations, but said there was no point in sending the agents, Alain Mafart and Dominique Prieur, back to the atoll of Hao.

The two, who were sent to Hao, a French military base, for three years under a deal between Wellington and Paris after originally being sentenced to 10 years in jail by a New Zealand court, were repatriated early by France for medical and family reasons.

Mr. Palmer said Tuesday it was not helpful to New Zealand's "vital interests" to continue the relationship that had been in place since the bombing. "It has not been satisfactory or helpful to us," he said, stressing that the whole affair had been the product of a previous French Government.

A senior diplomatic source here said that New Zealand wanted Mr. Rocard to come here, not to "rehearse the list of difficulties" but to reconstruct a "modern, formal relationship." Not only was France a major European power, but it was also the only European power "which makes a difference in the Pacific," the source said.

He said it was clear Mr. Palmer felt a genuine relationship with Mr. Rocard, especially as a result of the French premier's role in bringing peace in the French Pacific territory of New Caledonia.

The source said that the New Zealand leader also appreciated France's culture and contribution toward European civilisation, but given Paris' responsibility for the bombing, the only practical political way to forge a new relationship would be for the French prime minister to come here.

A top level visit would not involve a study necessarily of the major issues between France and New Zealand, the source said, adding that this would not be appropriate on a fence mending mission.

Trade figures indicate the affair has had little major impact. In 1985 New Zealand exported 214.2 million dollars (122.8 million U.S.) worth of goods to France, while importing 159.6 million dollars (91 million U.S.). In the year to June 1989 exports were worth 186 million dollars (106.6 million U.S.) and imports worth 194 million dollars (111 million U.S.) but trade sources said that the true figures were much higher as breakdowns for France were not always separated from statistics for the European Economic Community.

Nuclear tests—the centre of the Rainbow Warrior's protest mission—could also be debated. "If France stopped testing in the South Pacific that would lead to a quantum leap forward in the relations between France and New Zealand," Mr. Palmer said.

As for the Rainbow Warrior, which lies in a remote and beautiful bay now where it was scuttled by Greenpeace, there is nothing left to discuss officially. Marine life now finds it an ideal refuge.

Air Force Buys 18 Italian Trainer Jets

BK0905054990 Hong Kong AFP in English 0452 GMT 9 May 90

[Text] Wellington, May 9 (AFP)—New Zealand Defence Minister Peter Tapsell Wednesday [9 May] signed a contract to purchase 18 Italian-built Aermacchi 339c jet trainers. Worth 266 million New Zealand dollars (151 million U.S) they will be used by the Royal New Zealand Air Force to replace aging British-built Strikemaster trainers.

The first of the aircraft is due to be delivered to New Zealand next year with all of them in service by the end of 1993.